



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Wednesday, October 4, 2023

Governor's Conference Room or Microsoft Teams – 9:00 am

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- I. **Office of the Industrial Commission – Karen Tyler, Reice Haase**
 - A. **Consideration for approval of September 7th, 2023 meeting minutes** (Attachment 1)
 - B. Report of presentation to Budget Section – Outdoor Heritage Fund (Attachment 2)
 - C. Presentation of Industrial Commission Project Management Report (Attachment 3)
 - D. Other Office of the Industrial Commission Business

(approximately 9:10 am)

- II. **Department of Mineral Resources – Lynn Helms, Ed Murphy**
 - A. Geological Survey Quarterly Report – Ed Murphy (Attachment 4)
 - B. **Consideration of the following cases:**
 - i. **Order 31794 for Case 29227 consolidated with Case 29226** regarding a complaint filed by Hess Bakken Investments II, LLC against Vitesse Energy, LLC and Vitesse Oil, LLC regarding post-production charges (Attachment 5)
 - ii. **Order 32806 for Case 30122** regarding an application of DCC West Project LLC for the geologic storage of carbon dioxide from the Milton R. Young Station in Oliver County, ND (Attachment 6)
 - iii. **Order 32807 for Case 30123** regarding the amalgamation of storage reservoir pore space to be operated by DCC West Project LLC in Oliver County, ND (Attachment 7)
 - iv. **Order 32808 for Case 30124** regarding the determination of the amount of financial responsibility for the geologic storage of carbon dioxide to be operated by DCC West Project LLC in Oliver County, ND (Attachment 8)

- v. **Order 32817 for Case 30207** regarding an application of Oasis Petroleum North America LLC to establish two 1,600-acre spacing units in McKenzie County, ND (Attachment 9)
 - vi. **Order 32823 for Case 30213** regarding the confiscation of equipment and oil at the State 1-16 well, NESE Section 16, T.141N., R.100W., Whiskey Joe Field, Billings County, ND (Attachment 10)
 - vii. **Order 32824 for Case 30214** regarding the confiscation of equipment and oil at the WJ BN 1-15 well, NENE Section 15, T.141N., R.100W., Whiskey Joe Field, Billings County, ND (Attachment 11)
 - viii. **Order 32825 for Case 30215** regarding the confiscation of equipment and oil at the US 3-22 well, SENW Section 22, T.141N., R.100W., Whiskey Joe Field, Billings County, ND (Attachment 12)
 - ix. **Order 32826 for Case 30216** regarding the confiscation of equipment and oil at the BN 2-27 well, SWNE Section 27, T.141N., R.100W., Whiskey Joe Field, Billings County, ND (Attachment 13)
 - x. **Order 32860 for Case 30250** regarding the termination of the Northeast Foothills-Madison Unit in Burke County, ND (Attachment 14)
 - xi. **Order 32620 for Case 30011** regarding the termination of the Bauman Drain-Madison Unit in Bottineau County, ND (Attachment 15)
 - xii. **Order 32877 for Case 30267** regarding an application of Marathon Oil Co. for an exception to NDAC 43-02-03-28 and authorization to locate heater treaters closer than 125 feet to process vessels (Attachment 16)
 - xiii. **Corrections to Order 31584 for Case 29030** related to an incorrect definition of a confining zone for a geologic storage facility (Attachment 17)
 - xiv. **Order 32875 for Case 30265** regarding an application of Phoenix Operating LLC for an overlapping 3,840-acres spacing unit in Williams and Divide Counties, ND (Attachment 18)
 - xv. **Case 29835** regarding an Industrial Commission complaint against WW Oilfield Services, LLC (Attachment 19)
- C. Update on federal regulatory matters:
- i. BLM Resource Management Plan
 - ii. BLM Conservation and Landscape Rule
 - iii. PHMSA Pipelines Safety
 - iv. USFW Endangered Species Act Rules
- D. O&G related matters reasonably expected to require comments:

- i. BLM Venting and Flaring
 - ii. Presidential Executive Order 14008 related to climate change
- E. Other Department of Mineral Resources Business

(approximately 10:30 am)

III. Industrial Commission Legal Update* – Phil Axt, Lynn Helms, Ryan Norrell, John Reiten

- A. Litigation Update
 - i. Northwest Landowners v. NDIC – Phil Axt
 - ii. Northern Oil and Gas v. NDIC – Lynn Helms
 - iii. Blue Appaloosa – Lynn Helms
 - iv. Libery v. NDIC – Lynn Helms
 - v. NDIC v. DOI Quarterly Federal Lease Sales – Lynn Helms
- B. Federal Rulemaking
 - i. BLM Leasing Rule – Lynn Helms
 - ii. DAPL DEIS – Ryan Norrell, John Reiten
 - iii. CEQ NEPA Rules
- C. Other Industrial Commission Legal Updates

* Possible Executive Session under N.D.C.C. 44-04-19.1(9) & 44-04-19.2 for attorney consultation

(approximately 11:00 am)

IV. State Energy Research Center – Reice Haase, Dr. Brian Kalk

- A. **Consideration of authorization to contract with EERC for legislative-directed rare earth minerals study - \$1,500,000** (Attachment 20)
- B. **Consideration of authorization to contract with EERC for legislative-directed underground energy storage research project - \$11,236,070.88** (Attachment 21)

(approximately 11:15 am)

V. Bank of North Dakota – Todd Steinwand, Lori Leingang

- A. Executive Succession Planning Matters (Attachments 22-23)
- B. Presentation of non-confidential meeting minutes
 - i. Finance and Credit Committee June 14th and July 19th, 2023 Meeting Minutes (Attachment 24)
 - ii. Advisory Board June 14th and July 27th, 2023 Meeting Minutes (Attachment 25)
 - iii. Audit and Risk Committee July 27th, 2023 Meeting Minutes (Attachment 26)
- C. Other Bank of North Dakota business

(approximately 11:30 am)

VI. Housing Finance Agency – Dave Flohr, Jennifer Henderson, Kayla Axtman

- A. Report on Emergency Solutions Grant and ND Homeless Grant awards – Jennifer Henderson (Attachment 27)
- B. Report on 2023 Series DE Bond Issue pricing – Kayla Axtman (Attachment 28)
- C. Other Housing Finance Agency business

(approximately 11:45 am)

VII. North Dakota Transmission Authority – Claire Vigesaa

- A. **Consideration of approval of IIJA Grid Resilience Grant Award Process** (Attachment 29)
- B. Other Transmission Authority Business

(approximately 12:00 pm)

VIII. North Dakota Pipeline Authority – Justin Kringstad

- A. **Consideration of approval of a letter of support for Northern Border Pipeline Company Bison XPress Project FERC application** (Attachment 30)
- B. Other Pipeline Authority business

(approximately 12:15 pm)

IX. North Dakota Mill and Elevator – Vance Taylor, Cathy Dub

- A. **Consideration for Approval of the Mill and Elevator 2024 Strategic Plan** (Attachment 31)
- B. Other Mill and Elevator business

(approximately 12:30 pm)

X. Adjournment

Next Meeting – October 31st, 2023, 8:00 am
Governor's Conference Room, Bismarck, ND

OFFICE OF THE INDUSTRIAL COMMISSION

Ms. Karen Tyler presented for consideration of approval the July 28, 2023 meeting minutes.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the July 28, 2023 Industrial Commission meeting minutes

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Ms. Karen Tyler presented for consideration of approval budget transfer recommendations.

The memo reads as follows:

Section 8 of HB 1014 passed by the 68th Legislative Assembly states the following:

The sum of \$1,818,114, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers must be made during the biennium beginning July 1, 2023, and ending June 30, 2025, upon order of the commission. Transfers from the student loan trust fund must be made to the extent permitted by sections 54-17-24 and 54-17-25.

For the 2023-2025 biennium, I recommend a transfer up to the following amounts from the listed Industrial Commission agencies and programs, as authorized by HB 1014:

Bank of North Dakota	\$275,000	15%
North Dakota Mill	\$240,000	13%
Outdoor Heritage Fund	\$240,000	13%
Clean Sustainable Energy Authority	\$200,000	11%
Housing Finance Agency	\$200,000	11%
Lignite Research Fund	\$200,000	11%
Oil & Gas Research Program	\$200,000	11%
Renewable Energy Fund	\$130,000	7%
Public Finance Authority	<u>\$130,000</u>	<u>7%</u>
	\$1,815,000	

The percentage of the total authorized transfer assigned to each agency or program is largely in keeping with historical transfer recommendations. There is an increase to the CSEA transfer as the program will be active for the full biennium. All agencies and programs will see an increase in the dollar amount transferred due to the addition of two FTEs to the Office of the Industrial Commission to provide administrative support, and the approval by the legislature of one-time funding for the historical records project.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the transfer of funds from Industrial Commission agencies and

programs under the authority set forth under Section 8 of HB 1014 passed by the 68th Legislative Assembly as follows:

The sum of \$1,818,114, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers must be made during the biennium beginning July 1, 2023, and ending June 30, 2025, upon order of the commission. Transfers from the student loan trust fund must be made to the extent permitted by sections 54-17-24 and 54-17-25.

and in the following amounts as recommended by the Interim Executive Director:

Bank of North Dakota	\$275,000	15%
North Dakota Mill	\$240,000	13%
Outdoor Heritage Fund	\$240,000	13%
Clean Sustainable Energy Authority	\$200,000	11%
Housing Finance Agency	\$200,000	11%
Lignite Research Fund	\$200,000	11%
Oil & Gas Research Program	\$200,000	11%
Renewable Energy Fund	\$130,000	7%
Public Finance Authority	<u>\$130,000</u>	7%

\$1,815,000

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

PUBLIC FINANCE AUTHORITY

Ms. DeAnn Ament presented for consideration of approval the following loan applications:

- i. **Grand Forks – Clean Water - \$3,430,000 increase to previously approved \$5,607,000.** The increased loan amount is for Phase 2 of construction of a sanitary sewer collection system, which will serve a newly annexed area of the City. The requested loan term is 30 years. The City will issue an improvement bond payable with special assessment collections, for Phase 2 of the project. The annual payment will average \$146,344.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommended \$3,430,000 increase to the previously approved \$5,607,000 (totaling \$9,037,000) Clean Water State Revolving Fund Program loan to the City of Grand Forks.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

A RESOLUTION WAS MADE

RESOLUTION APPROVING LOAN FROM CLEAN WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Clean Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4, and 61-28.2; and

WHEREAS, the State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (the "NDPFA") and the Bank of North Dakota (the "Trustee"); and

WHEREAS, the City of Grand Forks (the "Political Subdivision") has requested a \$3,430,000 loan increase to their previously approved \$5,607,000 loan (total \$9,037,000) from the Program to construct a sanitary sewer collection system to serve a newly annexed area of the City; and

WHEREAS, NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.
2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.
3. The Executive Director is authorized to fund the Loan from funds on hand in the Clean Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.
4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: September 7, 2023

- ii. **Fargo – Clean Water - \$10,647,000 for construction.** Proceeds of the loan will be used to finance construction for the reclamation and redevelopment of a former landfill site. The requested loan term is 30 years. The City will issue a revenue bond payable from solid waste fund revenues. The annual payment will average \$385,371.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission accept the recommended \$10,647,000 loan for construction from the Clean Water State Revolving Fund for the City of Fargo.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

A RESOLUTION WAS MADE

**RESOLUTION APPROVING
LOAN FROM CLEAN WATER STATE REVOLVING FUND**

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Clean Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4 and 61-28.2; and

WHEREAS, the Clean Water State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (NDPFA) and the Bank of North Dakota (the Trustee); and

WHEREAS, the City of Fargo (the "Political Subdivision") has requested a loan in the amount of \$10,647,000 from the Program to reclaim and redevelop a former landfill site that is not meeting leachate regulations to remove a potential environmental liability and provide additional solid waste disposal volume; and

WHEREAS, the NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.
2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.
3. The Executive Director is authorized to fund the Loan from funds on hand in the Clean Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.
4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: September 7, 2023

Ms. Ament presented a memo of State Revolving Fund loans approved by the Advisory Committee, which by policy can make loans under the State Revolving Fund Program in an amount not to exceed \$2,000,000:

- i. Fargo – Clean Water - \$701,000 for engineering – This loan is for the engineering of the reclamation and redevelopment of a former landfill site that is not meeting today’s leachate regulations. This will remove a potential environmental liability and provide the region with additional solid waste management disposal volume that meets current landfill standards. The requested loan terms are 30 years. They will issue revenue bonds payable with solid waste fund user fees.
- ii. Mapleton – Clean Water - \$1,975,000 – This project will consist of replacing asbestos cement pipe water main, hydrants, gate valves, curb stops and fittings, looping the water main between 2nd Street and 5th Avenue to improve fire flows and provide redundancy, spot repairs to the damaged sanitary sewer main, replacing undersized storm water lift station and connecting the 2nd Street storm sewer system to 1st Street storm sewer system. The requested loan term is 30 years. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.
- iii. Mapleton – Drinking Water - \$825,000 – This project will consist of replacing asbestos cement pipe water main, hydrants, gate valves, curb stops and fittings, looping the water main between 2nd Street and 5th Avenue to improve fire flows and provide redundancy, spot repairs to the damaged sanitary sewer main, replacing undersized storm water lift station and connecting the 2nd Street storm sewer system to 1st Street storm sewer system. The requested loan term is 30 years. The City will issue improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

TRANSMISSION AUTHORITY

Mr. Claire Vigasaa and Mr. John Weeda presented a Transmission Authority Summary of the 2023 annual report, the 2023 Resource Adequacy annual report, and a report on an analysis of EPA’s proposed carbon rules.

- i. Whether the issue is project development or legislative initiatives, the Authority is actively engaged in seeking ways to improve North Dakota’s energy export capabilities along with transmission capabilities within the state. To be successful Authority staff must understand the technical and political challenges associated with moving energy from generator to satisfied customer. Outreach to existing transmission system owners and operators and potential developers in order to understand the nuances of successful transmission infrastructure development is necessary. Another key element for success is working with officials at the state and federal levels to ensure that legislation and public policy are designed to support the movement of electricity generated from North Dakota’s abundant energy resources to local, regional, and national markets.
- ii. The North Dakota Transmission Authority periodically conducts independent evaluation of factors that affect the adequacy of transmission in North Dakota. Two studies of that nature were recently completed:

- a. Grid Studies - To help understand the demand for electricity in the growth area in the oil producing counties, the NDTA commissioned Barr Engineering to update the 2019 Power Forecast estimating demand growth over the next 20 years. The 2021 update and the full study can be obtained from the North Dakota Industrial Commission web site. Projections of continued growth in the Bakken Oil Field and associated industries remain consistent with the 2021 update.
 - b. In 2023 the North Dakota Transmission Authority commissioned studies of the generating resource adequacy in both the MISO and SPP ISOs. The studies addressed accreditation of generation resources, projected additions, and retirements of generation resources in each ISO. A projection of potential costs on an unsubsidized basis was also included. The results of these studies will be discussed in detail in the Annual Report on Resilience of the Electric Grid to be released on September 1, 2023.
 - iii. Generator Interconnection Queue and Transmission Plan Review
 - a. MISO Transmission Expansion Planning (MTEP) – Both MISO and SPP are engaged in transmission planning processes to accommodate the growth of renewable generation and the need to move that generation to the markets. The MISO Board approved the first tranche of the MISO Long Range Transmission Plan in the July 2022 Board meeting. This tranche will be included as an amendment to the MTEP 2021 to avoid delay in starting the projects. That tranche includes \$10.3 Billion of transmission expansion in the upper MISO region. Projects included are expected to have a beneficial impact on North Dakota and will enable reasonable cost for transmission interconnects
 - b. SPP Integrated Transmission Planning process (ITP) – Transmission planning is becoming increasingly complex as the generation mix transitions to a greater portion of intermittent generation resources. The changing mix coupled with redistribution of generation resource locations puts strains on existing transmission networks, potentially changing flow directions for the network.
 - c. MISO-SPP Joint Transmission Study – The Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP) collaborated on a years-long transmission study designed to identify transmission projects with comprehensive, cost effective and efficient upgrades. Both RTOs were looking for solutions to historical challenges facing generation interconnection customers in areas where their boundaries connect, also known as seams. The study began in December 2020.

There have been several transmission projects completed in recent years. Currently smaller projects are underway that enhance the transmission available to North Dakota generators and their access to the energy markets. The SPP projects include: Basin Electric Power Cooperative Western ND projects. The MISO projects include: Minnkota Power Cooperative (ND and Minnesota), Ottertail Power Company (OTP) projects, MISO/SPP Joint Targeted Interconnection Queue (JTIQ) Study, Nexus Line High Voltage Direct Current (HDVC) Line, Xcel Energy, and Montana-Dakota Utilities Co. Transmission improvements, Minnesota Power ALLETE High Voltage Direct Current System, and Grid United.

The electric transmission system in North Dakota is operating well and serving the load reliably with the current generation under average conditions but peak demand times are becoming uncertain. The growth in demand in western North Dakota is challenging the suppliers in that area of the state. They are pursuing both transmission improvements and generation additions to keep pace with the demand. The increase in conservative operations notices, max generation events and emergency procedures is a concern as demand grows. In addition, the seasonal reliability reports issued by the North American Reliability Council have become increasingly concerning about the ability of the grid to be reliable in extreme weather events. Transmission congestion is affecting North Dakota generation resources negatively and wholesale prices are more volatile.

The combined Queues of the three entities are 9,115MW. Nearly all of the projects in the Queues are wind and solar. The ISOs need a balance of resources to keep the grid resilient under all conditions. The efforts of the ISOs and states need to be coordinated to assist the generators and transmission owners to meet that objective.

The pace of change to the grid is a cause of concern to many in the industry. North Dakota has made a clear declaration the “all of the above” energy resources are embraced and supported. The present situation encourages us to continue that path in the electric industry as well. There is a lot of opportunity in North Dakota for increased generation if it is done in a manner that complements the resources that provide the ISOs with resources that can meet the needs at all times and in all weather conditions.

MILL AND ELEVATOR

Mr. Vance Taylor gave a presentation of operations, 4th quarter ended June 30, 2023. Operations in the 4th quarter led to a profit of \$5,923,246 compared to a profit of \$5,016,908 in last year’s 4th quarter. For the year, the Mill had a profit of \$17,238,265 compared to \$14,677,789 last year. Sales for the quarter were \$125,978,112 compared to last year’s \$139,409,200. Operating costs went up from \$11,967,196 for last year’s 4th quarter to \$14,875,571 this year.

Mr. Taylor presented for consideration of approval the 2024 Capital Plan.

Capital Projects for Consideration FY 2024 :

1. Track 1, 2, 3 Upgrade - \$1,200,000 – Remove and replace 1050 feet of rail track with new ties, track, drain-tile and concrete panels on tracks 1, 2 and 3 south of the bulk flour load out areas.
2. Sifters - \$800,000 – Replace 2 K Mill sifters and 17 sieve stacks that are worn to the point where replacement is necessary to insure reliable operation.
3. B Mill Reflow - \$700,000 – Purchase and install 6 purifiers, 2 pin mills, spouting and necessary sifter sieves to reflow the mill to increase product quality and milling yields on spring wheat.
4. K Mill Upgrades - \$650,000 – Purchase and install a new cleaning house separator, de-stoner and roll stand electrical equipment to improve the efficiency of the milling unit.
5. E Mill Upgrades - \$450,000 – Purchase and install a new cleaning system scale and flow balancer that is worn out to the point where replacement is required.

6. Regrind System Capacity Increase - \$450,000 – Purchase and install necessary equipment to increase daily production of the Regrind system to meet demand. This project includes new cyclone receivers and airlocks, 4 new pin mills and several new sifter stacks.
7. A, B, C Mill Combostoners - \$450,000 – Replace the existing disk and drum separators pieces in the A, B, and C cleaning systems that are worn out and inefficient.
8. Air Makeup System Fans \$350,000 – Replace the existing inefficient fan wall systems with single fan units in the G Mill and Cleaning House.
9. B & K Mill Tempering Systems \$300,000 – Replace existing worn-out wheat tempering conveyors with new units designed to improve the tempering process on the B & K Mills. Update moisture monitors on the A, B, K & WW Mills.
10. Plant Lighting - \$300,000 – Purchase and install new lighting fixtures in several areas of the facility where replacement is needed of worn-out fixtures.
11. WW Mill Upgrades - \$250,000 – The installation of additional grinding equipment and the refurbishment of two filters will increase mill performance and efficiency.
12. Lab & K Mill HVAC Upgrades - \$250,000 – Purchase and install a new HVAC system to replace the worn-out and unreliable equipment currently in use.
13. Semolina Bin Bottoms - \$200,000 – Purchase and install new fluidizing loadout bin hoppers to increase Semolina load-out efficiency into railcars and bulk trucks.
14. D Mill Cleaning Ductwork - \$100,000 – Purchase and install all necessary new duct work to improve reliability and capacity for the D Mill wheat cleaning system.
15. G Mill Farina System - \$75,000 – Purchase and install a collection system to capitalize on increased Farina demand.
16. Forklifts \$75,000 – Trade in two existing forklifts with excessive service hours and replace them with two new units.
17. Loadout Software \$500,000 – Purchase and install the necessary equipment and software needed for the Midds Storage and Processing and North and South bulk flour loadout areas.
18. Computers / Technology \$300,000 – Several system improvements, replacements and upgrades are required on our management information system.
19. Other Capital \$500,000

Total for all Capital Projects (including Other Capital) \$7,900,000

**NORTH DAKOTA MILL
Capital Plan for FY 2024
September 7, 2023**

Capital Expense Item	Remaining Budget
Carryover from FY 2023	
Plant	
Phase II Bulk Flour Storage Upgrade	\$ 192,978
Retail Mixes Line Blending System	192,276
C Mill Wheat Delivery System	96,827
Grain Terminal Belt Conveyor Upgrades	457,514
Midds Storage and Handling System Phase I, II, & III	40,821,731
A Mill Roll Conversion	312,612
K Mill High Pressure Fans	450,000
Packing Flour Transfer Upgrade	372,970
A Mill Purifier and Flour Collection Conveyor Upgrade	273,641
Flour Transfer B Filter and Conveyor	167,872
Mill PLC Upgrades (6 Mills A, B, C, K, E, WW)	128,697
Old Warehouse, Lab and SC 3 Roofs	165,000
Door Upgrades	114,651
Fork Lifts	65,000
Rail Car Opener	9,004
G Mill Roof Replacement	53,220
Fire Protection Water Pump	188,260
Electrical Generation	2,517,200
Industrial Vacuum	175,000
Total Carryover Capital Expenditures	\$ 46,754,453
FY 2024 Capital Expense Item	Plan
Plant	
Track 1, 2, 3 Upgrades	1,200,000
Sifters	800,000
B Mill Reflow	700,000
K Mill Upgrades	650,000
E Mill Upgrades	450,000
Regrind System Capacity Increase	450,000
A, B, C Mill Combistoners	450,000
Air Makeup System Fans	350,000
B & K Mill Tempering Systems	300,000
Plant Lighting	300,000
WW Mill Upgrades	250,000
Lab & K Mill HVAC Upgrades	250,000
Semolina Bin Bottoms	200,000
D Mill Cleaning Ductwork	100,000
G Mill Farina System	75,000
Forklifts	75,000
Computers/Technology	
Systems Improvements, replacements, and upgrades	300,000
Loadout Software	500,000
Other	500,000
Total New Capital Expenditures	\$ 7,900,000
Total Capital Expenditures	\$ 54,654,453

NORTH DAKOTA MILL
Capital Expenditures for FY 2023
September 7, 2023

<u>Capital Expense Item</u>	<u>Approved / Remaining Budget</u>	<u>Net Capital Cost</u>	<u>Under / (Over)</u>	<u>Completed Project Cost</u>
Plant				
Freight Elevator Upgrade	202,422	90,000	112,422	837,578
Upper Bulk Flour Storage Renovation	76,732	61,101	15,631	619,370
Infestroyer Upgrades	158,610	151,684	6,926	203,074
H & I Mill Expansion	1,500,355	1,500,355	-	24,475,000
D Mill Product Transfer System	57,688	34,707	22,981	767,018
Rail Track, Crossing & Drainage Upgrades	76,919	75,408	1,511	748,489
* Phase II Bulk Flour Storage Upgrade	285,000	92,022	192,978	
Electrical Substation Upgrade	275,000	260,000	15,000	260,000
Wheat Midds Storage & Handling System Engineering	1,133	-	1,133	248,867
* Retail Mixes Line Blending System	195,050	2,774	192,276	
Spare Transformers	75,600	75,000	600	164,400
* C Mill Wheat Delivery System	155,000	58,173	96,827	
* Grain Terminal Belt Conveyor Upgrades	457,514	-	457,514	
Roll Chills	96,213	94,908	1,305	148,696
Autoclave	21,000	21,000	-	21,000
* Midds Storage and Handling System Phase I, II, & III	56,000,000	15,178,269	40,821,731	
Asphalt & Concrete Paving	350,000	349,727	273	349,727
K, C and A Mill Sifter Upgrade	650,000	644,727	5,274	644,727
* A Mill Roll Conversion	470,000	157,388	312,612	
* K Mill High Pressure Fans	450,000	-	450,000	
* Packing Flour Transfer Upgrade	375,000	2,030	372,970	
* A Mill Purifier and Flour Collection Conveyor Upgrade	325,000	51,359	273,641	
* Flour Transfer B Filter and Conveyor	310,000	142,128	167,872	
* Mill PLC Upgrades (6 Mills A, B, C, K, E, WW)	260,000	131,303	128,697	
North Yard Rail Track Upgrade	175,000	150,736	24,264	150,736
* Old Warehouse, Lab and SC 3 Roofs	165,000	-	165,000	
* Door Upgrades	160,000	45,349	114,651	
G, H, and I Mill Central Vacuum System	150,000	144,607	5,393	144,607
* Fork Lifts	65,000	-	65,000	
* Rail Car Opener	45,000	35,996	9,004	
* G Mill Roof Replacement	240,000	186,780	53,220	
* Fire Protection Water Pump	225,000	36,740	188,260	
* Electrical Generation	3,500,000	982,800	2,517,200	
* Industrial Vacuum	175,000	-	175,000	
Computers/Technology				
Systems Improvements, Replacements, and Upgrades	300,000	149,539	150,461	
Server Storage				149,539
Other	500,000	417,048	82,952	
Spare Blower				77,981
Bucket Elevator Belt & Cups				64,408
Spare Parts Storage				154,361
Convection Oven				12,990
Skid Steer				9,040
H & I Mill Project Overflow				96,696
Autoclave Overflow				1,571
Total Capital Expenditures	\$ 68,524,236	\$ 21,323,656	\$ 47,200,580	\$ 30,349,874

* Carried over to Fiscal Year 2024

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the North Dakota Mill and Elevator FY 2024 capital expenditures plan as presented.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Mr. Taylor presented for consideration of approval the 2024 gain share.

The gain share program works as follows:

- Eligibility – all full-time employees on June 30, 2024 that worked a minimum of 1,000 hours during the program year are eligible.
- No pay out of any bonuses if profit before gain sharing expense accrual and any unknown adjustments (Pension, etc.), positive or negative does not exceed 5.0 million dollars.
- No payout on the profit part of the plan if profit before gain sharing expense accrual and any unknown adjustments (Pension, etc.), positive or negative does not exceed 7.0 million dollars.
- Payout will be calculated as a percent of earnings from July 1, 2023 to June 30, 2024.
- Goal numbers were set to reflect current realities for the new plan year.
- Goal numbers were set by the President and CEO and are attainable with effort.

The plan consists of two independent parts. 4% potential payout is from exceeding gain sharing goals and an un-capped potential payout is from profits.

For the year ending June 30, 2024 the goals are as follows: Gain Sharing 1st Part – 4% Bonus Potential*

Goals:

- | | |
|---|------------|
| • Cwt./man-hour (includes all hours) | 39.5 |
| • Cost per cwt. (pre gain sharing exp. and pension adjust.) | \$2.75 |
| • Yield | 77.8% |
| • Safety Record | 172 Points |

*4% bonus potential if all numbers are met or exceeded. Each goal is worth 1% of the 4%.

Gain Sharing 2nd Part – Uncapped Bonus Potential

Profits (before gain sharing expense accrual and pension adjustments):

7.0 million = 7.0% bonus pay out

Each additional 1.0 million in profits = 1.0% additional bonus payout.

The 1st Part of the gain sharing goals begin to payout at a profit (before gain sharing expense accrual and any unknown adjustments - Pension, etc. , positive or negative) level greater than \$5.0 million. The 2nd Part of the gain sharing goals begin to payout at a profit (before gain sharing expense accrual) level greater than \$7.0 million.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the North Dakota Mill and Elevator FY 2024 gain sharing plan as presented.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Governor Burgum requested a motion to move into Executive Session.

It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that under the authority of North Dakota Century Code Sections 6-09-35, 44-04-18.4, 44-04-19.1, 44-04-19.2, the Industrial Commission enter into executive session for the purposes of Mill and Elevator confidential business, Bank of North Dakota confidential business, and Department of Mineral Resources attorney consultation.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

The Commission is meeting in executive session regarding Mill and Elevator confidential business to consider those items listed on the agenda under North Dakota Mill and Elevator Executive Session. Only Commission members, their staff, Commission staff, and Mill and Elevator staff will participate in that executive session.

After the Mill and Elevator executive session, the Commission will meet in executive session for Bank of North Dakota confidential business to consider those items listed on the agenda under Bank of North Dakota Executive Session. Only Commission members, their staff, Commission staff, and Bank of North Dakota staff will participate in that executive session.

After the Bank of North Dakota executive session, the Commission will meet in executive session for attorney consultation related to the case listed on the agenda. Only Commission members, their staff, Commission staff, and Department of Mineral Resources staff will participate in that executive session.

Any formal action taken by the Commission will occur after it reconvenes in open session.

Governor Burgum reminded the Commission members and those present in the executive sessions that the discussions must be limited to the announced purposes which is anticipated to last approximately 1 hour and 15 minutes.

The executive session began at 2:45 p.m.

The Meeting Closed to the Public for Executive Session Pursuant to NDCC 6-09-35, 44-04-18.4, 44-04-19.1, 44-04-19.2.

THE MILL AND ELEVATOR EXECUTIVE SESSION

Industrial Commission Members Present:

Governor Doug Burgum
Attorney General Drew H. Wrigley
Agriculture Commission Doug Goehring

Mill and Elevator Members Present:

Vance Taylor, Mill and Elevator
Cathy Dubb, Mill and Elevator

Others in Attendance:

Ryan Norell	Governor's Office
John Reiten	Governor's Office
Zac Greenberg	Governor's Office
Dutch Bialke	Dept. of Agriculture
Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office

BANK OF NORTH DAKOTA EXECUTIVE SESSION

Industrial Commission Members Present:

Governor Doug Burgum
Attorney General Drew H. Wrigley
Agriculture Commission Doug Goehring

Bank of North Dakota Members:

Craig Hanson, BND
Kelvin Hullet, BND
Kirby Evanger, BND

Others in Attendance:

Ryan Norell	Governor's Office
John Reiten	Governor's Office
Dutch Bialke	Dept. of Agriculture
Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office

DEPARTMENT OF MINERAL RESOURCES EXECUTIVE SESSION

Industrial Commission Members Present:

Governor Doug Burgum
Attorney General Drew H. Wrigley
Agriculture Commission Doug Goehring

Department of Mineral Resources Members:

Lynn Helms, DMR
Mark Bohrer, DMR
Bridget Danso, DMR

Others in Attendance:

Ryan Norell	Governor's Office
John Reiten	Governor's Office
Dutch Bialke	Dept. of Agriculture
Matt Sagsveen	Attorney General's Office
Phil Axt	Attorney General's Office

Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office

The executive session ended at 4:24 p.m. and the Commission reconvened in open session.

During the Mill and Elevator executive session, the Commission discussed the Mill and Elevator 2024 Strategic Plan. This plan will be voted on at the next Industrial Commission meeting.

During the Bank of North Dakota executive session, the Commission made a motion regarding three loan approvals.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

During the Department of Mineral Resources executive session, the Commission consulted with its attorney. No formal action was taken in the Department of Mineral Resources executive session.

INDUSTRIAL COMMISSION LEGAL UPDATE

Mr. Phil Axt presented the Mercury and Air Toxics Standards (MATS) Proposed Rule. This spring, the EPA had presented a proposed rule to tighten the restrictions in several ways even though they have stated there is no public health benefit to the tightening of the restrictions. One of their main changes is to treat the mercury emissions standards for Lignite the same as other types of coal. Lignite has always had different standards because of its scientific differences, and professionals in the industry are saying it is not scientifically possible to reduce the Lignite mercury emissions to the levels that the EPA is proposing. A second related aspect is an overall general reduction of particular matters upon which EPA has tightened the allowance significantly. This will be a technical problem for ND to comply, the costs would increase significantly, and it will lead to grid reliability issues. The current timeline for the release of the final rule is March 2024. North Dakota is working with other states to move forward with litigation if necessary.

Mr. Matt Sagsveen presented the EPA Section 111 Greenhouse Gas Proposed Rule. A comment letter was submitted to the EPA on August 8th regarding EPA's proposed rule for new source performance standards for greenhouse gas emissions for new, modified and reconstructed fossil fuel electrical generating units. The comments were a collaboration of DEQ, NDIC, DMR, PSC, the Transmission Authority, and staff members from the Governor's Office. The EPA's estimated final rule is currently scheduled to be released in April of 2024.

Dr. Lynn Helms presented an update on BLM Leasing. They are currently drafting a response to the BLM follow up status report. Complaints were filed with Judge Traynor regarding the list of 24 priority parcels that are impacting state lands that need to be leased. BLM proposed to lease 6 parcels in September, none of which are on the priority list. BLM did realize they did not have a strong case to appeal Judge Traynor's conjunction order and his demand for status reports, so they withdrew their appeal. They have a deadline prior to their next conference in October 2023.

Mr. Axt presented an update on NW Landowners v. NDIC. We are currently facing amalgamation

challenges. There were no significant updates, and we are still working towards a December date for Dispositive motions.

Dr. Helms presented the Department of Mineral Resources Litigation Update:

- i. Case No. 31-2020-CV-0018 – Northern Oil and Gas, Inc. vs. Continental Resources, Inc; Board of University and School Lands and ND Industrial Commission et al – Ordinary High Water Mark challenge – Moved to May 6, 2024
- ii. Blue Appaloosa – appeal of Industrial Commission Order 31208 – their objection is that they have no assets and are bankrupt (they have not filed bankruptcy and are a foreign corporation still in good standing in the state of ND so it is believed that is a good enough reason for the court to grant the order)
- iii. Dominek v Equinor et al – allocation of production from overlapping spacing units – The case has been dismissed. It was determined that they needed to exhaust administrative remedies through the Industrial Commission first.
- iv. Liberty Resources vs. NDIC et al – appeal of Industrial Commission Order 31792 – Waiting on district court decision.

DEPARTMENT OF MINERAL RESOURCES

Dr. Helms and Mr. Bohrer presented for consideration of approval the following cases:

- i. **Order 32614 for Case 30006** – In the matter of a hearing called on a motion of the Commission to consider the termination, reduction, or any other appropriate action of the Glass Bluff-Madison Unit, McKenzie and Williams Counties, ND, operated by Liberty Resources Management Co., LLC; to review the Glass Bluff-Madison Unit bond amount required for the operation of said unit pursuant to NDAC § 43-02-03-15; to review the requirements set forth in Order No. 31560 that required nine certain wells to be plugged and abandoned; and such other relief as is appropriate.
- ii. **Order 32615 for Case 32615** – In the matter of the joint application of Liberty Resources Management Company, LLC and Rocky Top Energy, LLC for an order of the Commission amending Order No. 31560 entered in Case No. 29009 which required the plugging of certain wells and instead allowing some or all wells to be brought back on production, such wells being located in the Glass Bluff-Madison Unit, McKenzie and Williams County, ND, and/or such further and additional relief.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32614 issued in Case No. 30006 to allow the Glass Bluff-Madison Unit to remain in effect, require a \$2,400,000 unit bond for the Glass Bluff-Madison Unit, McKenzie and Williams Counties, ND, require a \$1,700,000 bond for wells plugged and reclaimed with CARES Act funds or Abandoned Oil and Gas Well Plugging and Site Reclamation fund, and/or such further relief, and that the Industrial Commission approves Order No. 32615 issued in Case No. 29807 facilitating the transfer of the Glass Bluff-Madison Unit, McKenzie and Williams County, ND, to Rocky Top Energy, LLC, require certain wells to be brought into compliance by June 1, 2024, prohibiting the use of pipelines within the unit until a pressure test is witnessed by the Department of Mineral Resources, prohibiting the use of unit facilities until approved by a Department of Mineral Resources inspector, requiring prior approval for all perforations and recompletions, requiring a temporary spacing hearing for all wells recompleted outside the unitized formation, and/or such further relief.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

- iii. **Order 32819 for Case 30209** – Application of Phoenix Operating LLC for an order amending the applicable orders for the Smoky Butte/Green Lake-Bakken Pool to establish an overlapping 3840-acre spacing unit described as Sections 1 and 2, T.159N., R.100W., Williams County, ND and Sections 25, 26, 35 and 36, T.160N., R.100W., Divide County, ND and to authorize 1 horizontal well to be drilled on such unit and granting such other relief as may be appropriate.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approves Order No. 32819 issued in Case No. 30209 approving the application of Phoenix Operating LLC for an order amending the applicable orders for the Smoky Butte/Green Lake-Bakken Pool to establish an overlapping 3840-acre spacing unit described as Sections 1 and 2, T.159N., R.100W., Williams County, ND and Sections 25, 26, 35 and 36, T.160N., R.100W., Divide County, ND and to authorize 1 horizontal well to be drilled on such unit and granting such other relief as may be appropriate.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Order 32914 for Case 30329 – Regarding the authorization for the Department of Mineral Resources to proceed with the administrative hearing process and publish for hearing and comment the draft rules amendments to the “General Rules and Regulations for the Conservation of Crude Oil and Natural Gas” codified as Title 43 North Dakota Administrative Code.

It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Department of Mineral Resources is authorized to proceed with the administrative hearing process for Case No. 30329 and publish for hearing and comment the draft rule amendments to the “General Rules and regulations for the Conservation of Crude Oil and Natural Gas” codified as Title 43 of the North Dakota Administrative Code.

On a roll call vote, Governor Burgum, Attorney General Wrigley, and Commissioner Goehring voted aye. The motion carried unanimously.

Due to time constraints, the Geological Survey Quarterly Report will be moved to the next Industrial Commission meeting.

Under other business, Dr. Helms mentioned that they are monitoring the BLM proposed leasing rule. They have a request for an extension of the comment period submitted, but the comments are due by September 22nd if the extension is not granted. He stated that they will have comments ready for the proposed leasing rule either way, and that the proposed rule is a very extensive rewrite of way more than just their current leasing rule.

The next Industrial Commission meeting will be held on Wednesday, October 4th, 2023.

Governor Burgum adjourned the meeting at 5:20 pm.

North Dakota Industrial Commission

Brenna Jessen, Recording Secretary

Reice Haase, Deputy Executive Director

Karen Tyler, Interim Executive Director



INDUSTRIAL COMMISSION OF NORTH DAKOTA
OUTDOOR HERITAGE FUND

Governor
Doug Burgum
Attorney General
Drew H. Wrigley
Agriculture Commissioner
Doug Goehring

Budget Section
September 21, 2023
Sen. Brad Bekkedahl, Chairman

Mr. Chairman and members of the Budget Section, my name is Karen Tyler and I am the North Dakota Securities Commissioner and the Interim Executive Director for the North Dakota Industrial Commission. Thank you for the opportunity to present a report on the Outdoor Heritage Fund (OHF) pursuant to the requirements of NDCC 54-17.8 - 07. The Outdoor Heritage fund was created by the legislature in 2013. It is overseen by the Industrial Commission, with the assistance of the OHF Advisory Board.

A list of the current makeup of the 12 member Board, plus 4 ex-officio technical advisers, is at the bottom of this first page of testimony. Management and administration of the OHF grant program is handled by Deputy Executive Director Reice Haase, and Grant Program Specialist Brenna Jessen. Their contact information is provided on the last page of my written report.

Brian Amundson	Joseph Carlson	Patsy Crooke	David Dewald	Tyler Dokken, Vice Chair	Jay Elkin
Brad Erickson	Tyler Jacobson	Dana Kaldor	Randy Kreil	Robert Kuylen, Chair	Rachel Retterath
Ex-officio:	Tom Claeys	Rhonda Kelsch	Cody Schulz	Jeb Williams	

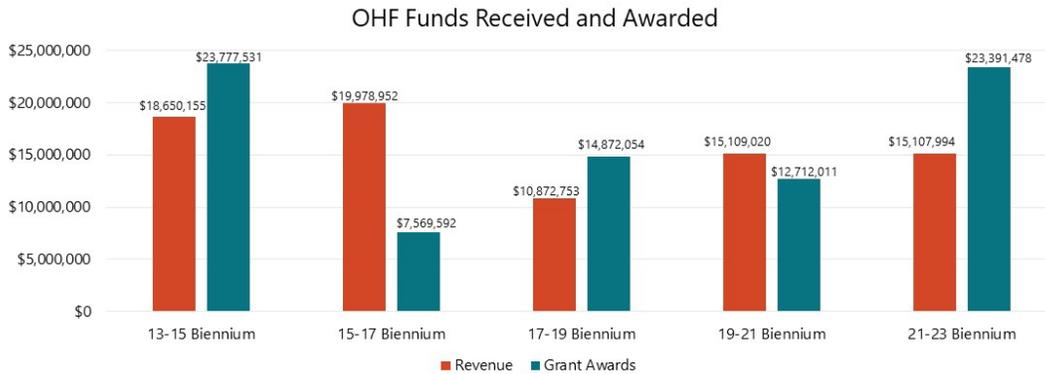


Since its inception in 2013, the Fund has received \$79,718,874 in income, which includes legislative appropriations and interest income. During the 2021-2023 biennium, income included \$15 million in deposits from the Oil and Gas Gross Production Tax formula and \$107,994 in interest. The legislature again appropriated \$15 million from the Oil and Gas Gross Production Tax formula for the 23-25 biennium.

Twenty-two (22) grant rounds have been completed since 2013 with a total of \$81,687,666 awarded to 224 projects located across the state. The reason the amount awarded exceeds the total revenue received by the program is that some projects come in under budget and therefore return a portion of their commitment which can then be reallocated and awarded to new projects. Returned commitments since inception totaled \$3,532,206 at the end of the 2021-2023 biennium. At the time of this report, \$1,128,091 is available in the fund for future commitments, and as previously mentioned an additional \$15 million is anticipated to be received in the 2023-2025 biennium based on the legislature's appropriation for the program. I have included a chart that reflects the amount deposited into the Fund per biennium and the amount that was awarded:

OHF FUNDS RECEIVED AND AWARDED

- The Industrial Commission has awarded funding for 224 projects for a total of \$81,687,666
 - Since its inception, the fund has received a total of \$79,718,874 in income
 - \$3,532,206 of commitments have been returned to date



The Outdoor Heritage Fund was established to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to enhance conservation practices through four specific directives that are set forth in statute. I will briefly review each directive and provide you with an example of a previously funded project under that directive.

Directive A: Providing access to private and public lands for sportspeople, including projects that create fish and wildlife habitat and provide access for sportspeople.

- *GR 20: Sheyenne River State Forest Access Improvement Project, North Dakota Forest Service* – This project will develop and improve trails and

establish an informational trailhead area with restrooms, trail archways, and an informational kiosk within the Sheyenne River State Forest. OHF provided \$45,000 of a \$62,000 project. (\$8,173 paid \$36,836 left)

Directive B: Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching.

- *GR 20: Grazing Resiliency in the Bakken, ND Natural Resources Trust* – This project is developing water supply systems, implementing fencing for rotational grazing systems, and using cover crops to provide drought resiliency and environmental enhancements for tens of thousands of acres in western North Dakota. OHF provided \$1,970,000 of a \$3,280,000 project. (\$145,394 paid \$1.8 mill left)

Directive C: Developing, enhancing, conserving, and restoring wildlife and fish habitats on private and public lands.

- *GR 20: Southwest ND Pheasant Initiative, Hettinger Research Extension Center* – This project cooperates with landowners to create, enhance, and restore habitat for pheasants through the establishment of new grassland plantings, food plots, and enhancement of existing grassland acres. OHF provided \$74,297 of a \$99,280 project. (no payments made)

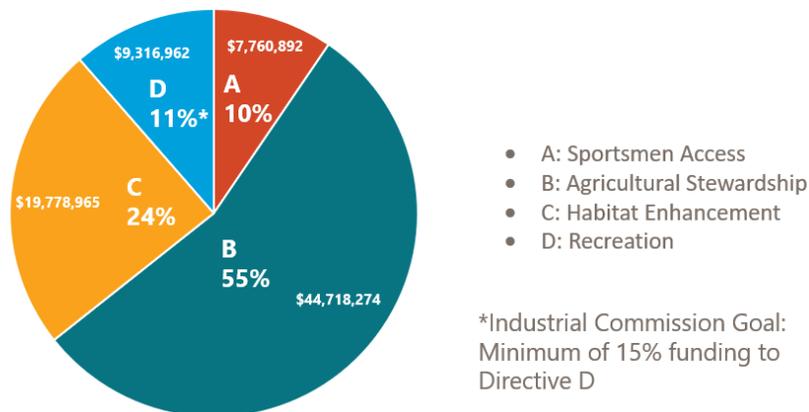
Directive D: Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

- *GR 19: Playground Equipment Replacement, City of Coleharbor* – This project improved the city park with new commercial grade playground equipment, renovated picnic shelters, permanent garbage receptacles, benches, and picnic tables. OHF provided \$10,000 of a \$59,842 project.

(project complete all funds paid)

The chart below illustrates the amount of funding that has been awarded for each directive to date. An application may meet more than one directive. The applicant is asked to elect the primary directive for each project.

OHF FUNDING BY DIRECTIVE

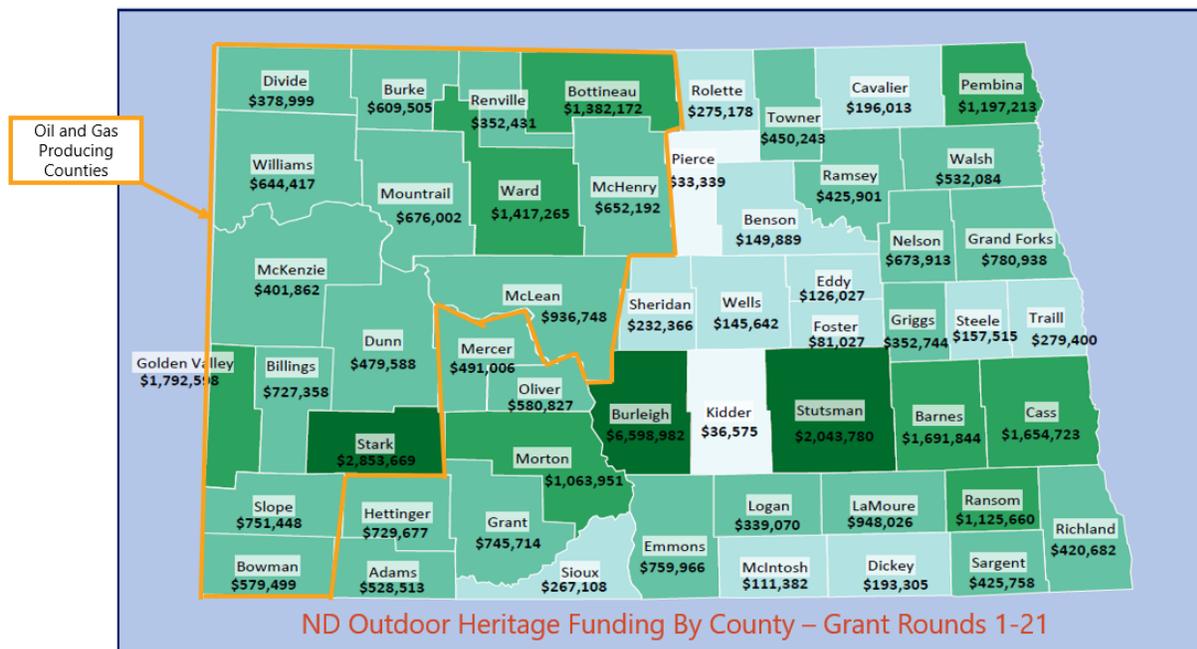


The percentage and amount of funds awarded for each directive is as follows:

- A: 10% - \$7,760, 892
- B: 55% - \$44,718,274
- C: 24% - \$19,778,965
- D: 11% - \$9,316,962

The following map shows the amount of funds awarded by county for location specific projects:

STATEWIDE BENEFITS FROM OIL AND GAS REVENUES



There are typically 4 grant rounds held each biennium. The application deadline for Grant Round 23, the current grant round, was September 8th, and we received 11 applications totaling \$4.5 million in requests representing \$26.1 million in total

project value. These applications are currently under review, and the Advisory Board will meet October 26 and pass their funding recommendations on to the Industrial Commission for final action.

The OHF program is a reimbursement-based program, and each grant recipient must provide regular status reports that accompany reimbursement requests.

These reports are posted on the OHF website at <http://www.nd.gov/ndic/outdoor-infopage.htm> and available to the public. The website also provides information about the Advisory Board, the application process, and a list of awards.

Mr. Chairman, this concludes my report. Thank you for the opportunity to provide an update on the Outdoor Heritage Fund Program. I'd be happy to answer any questions.

Program Management and Administration:

Reice Haase
Deputy Executive Director
North Dakota Industrial Commission
rhaase@nd.gov

Brenna Jessen
Grant Program Specialist
North Dakota Industrial Commission
brennajessen@nd.gov



OUTDOOR HERITAGE FUND PROJECT MANAGEMENT REPORT

September 2011



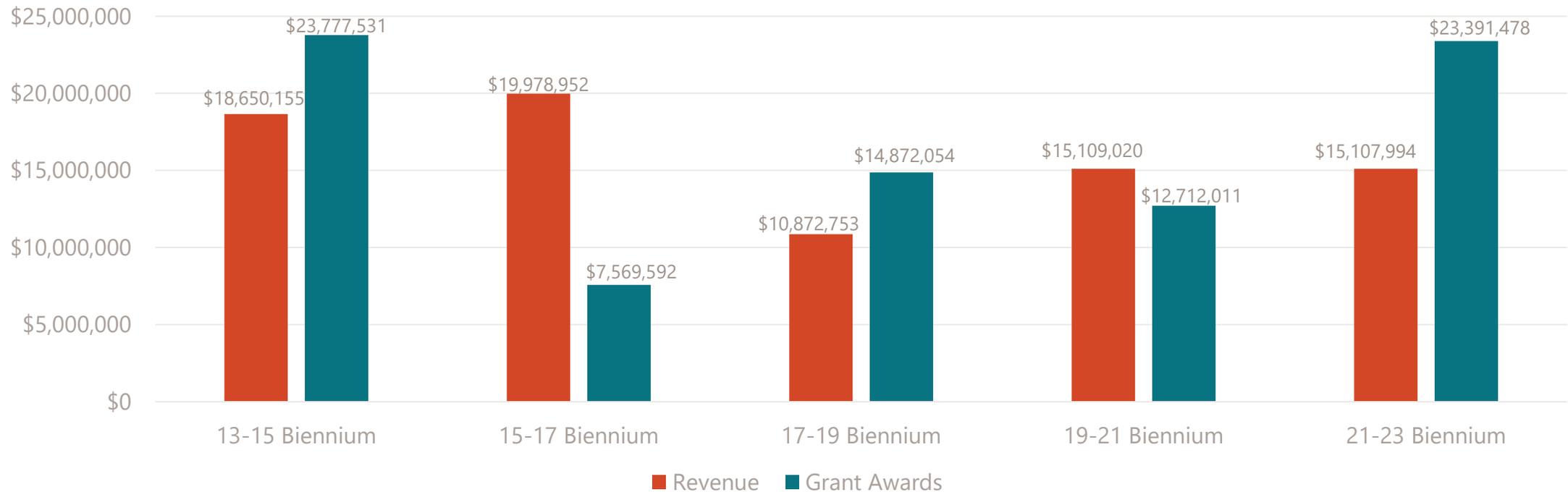
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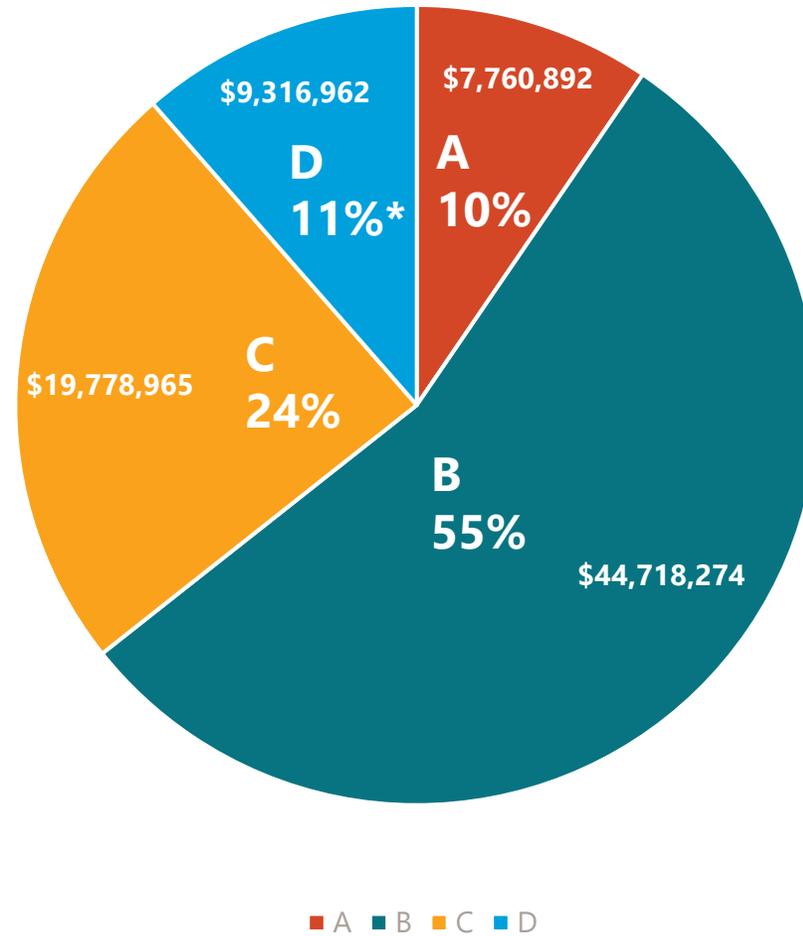
OHF FUNDS RECEIVED AND AWARDED

- The Industrial Commission has awarded funding for 224 projects for a total of \$81,687,666
 - Since its inception, the fund has received a total of \$79,718,874 in income
 - \$3,532,206 of commitments have been returned to date

OHF Funds Received and Awarded



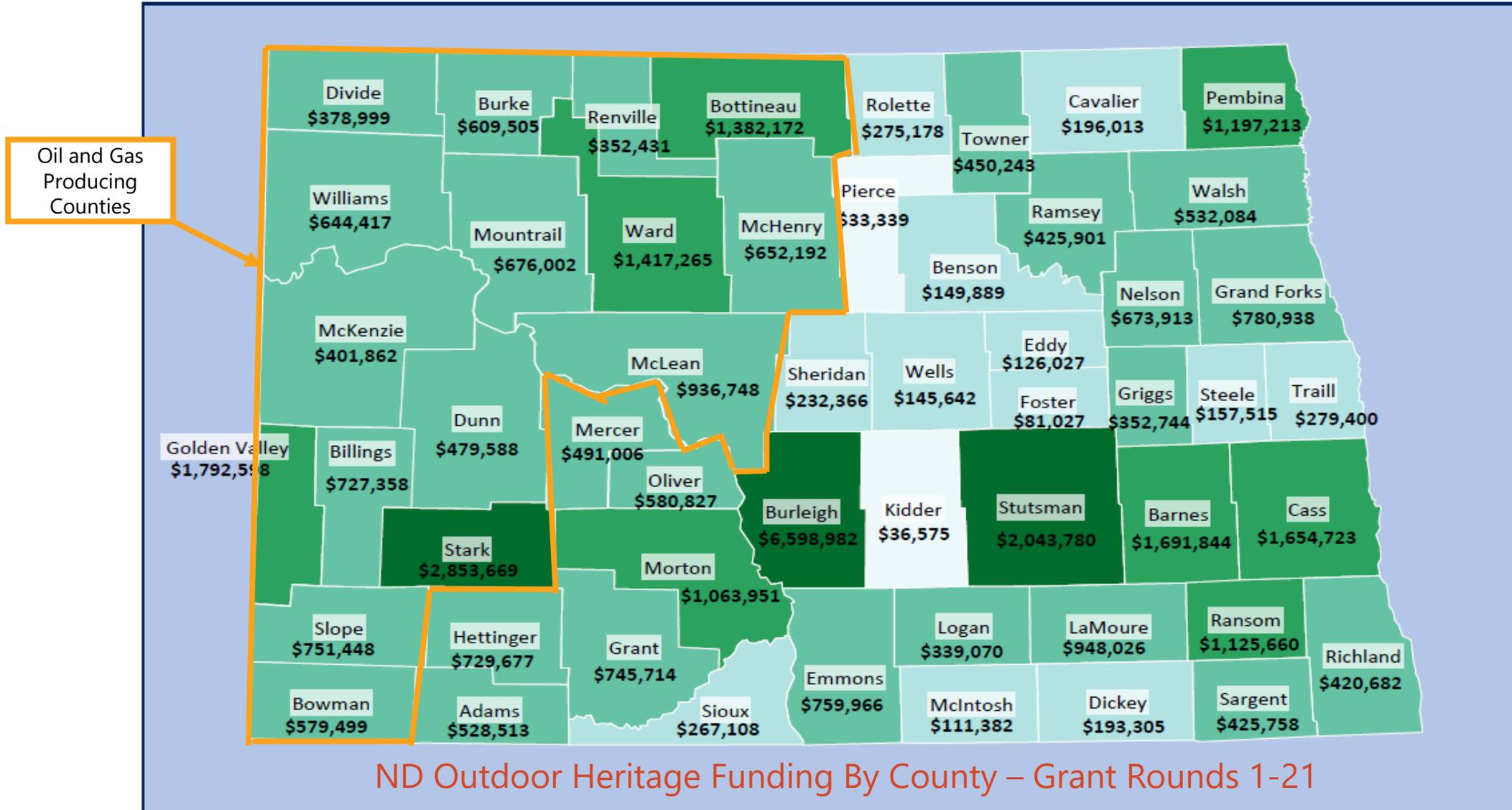
OHF FUNDING BY DIRECTIVE



- A: Sportsmen Access
- B: Agricultural Stewardship
- C: Habitat Enhancement
- D: Recreation

*Industrial Commission Goal:
Minimum of 15% funding to
Directive D

STATEWIDE BENEFITS FROM OIL AND GAS REVENUES



ACTIVE PROJECTS

88

Active Projects

\$16.2 Million

Paid To Date

\$55.5 Million

Awarded Dollars

\$39.3 Million

Payable Dollars

\$1.1 Million

Cash Available for Commitment in
Outdoor Heritage Fund

PROJECTS COMPLETED SINCE LAST MEETING:

018-188: Maple River Bank Stabilization Project – Enderlin Park Board

- Installed erosion control at Enderlin Park
- \$37,007 original commitment, \$0 returned



PROJECTS COMPLETED SINCE LAST MEETING:

005-074: Windbreak Renovation Initiative – ND Forest Service

- **Completed windbreak restorations, protecting 268 farmsteads, 1,291.27 acres of cropland, and 4.9 miles of road**
- **\$1.8 million original commitment, \$181,731.96 returned**



PROJECTS COMPLETED SINCE LAST MEETING:

009-105: Kathryn Dam Repurposing Project – Barnes County Water Resource District

- Removed over 10,000 mussels, removed old dam, replaced with rock weirs to allow fish movement
- \$159,505 original commitment, \$0 returned



PROJECTS COMPLETED SINCE LAST MEETING:

001-017: Outdoor Heritage Habitat Initiative

- 19 Save Our Lakes agreements totaling 1,101.4 acres
- 11 PLOTS agreements totaling 3,000 acres
- \$1.9 million original commitment, \$0 returned



PROJECTS COMPLETED SINCE LAST MEETING:

018-186: Clear Lake Park – Mountrail County

- Installed new gazebos, repurposed from grain bins, planted 44 trees
- \$25,370 original commitment, \$17.25 returned





NORTH DAKOTA INDUSTRIAL COMMISSION PROJECT MANAGEMENT REPORT

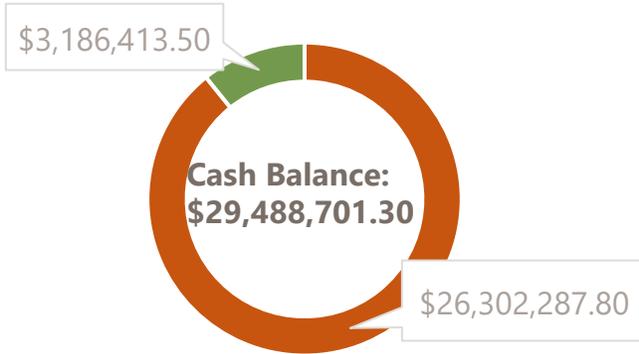
October 4, 2023

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INDUSTRIAL COMMISSION FUND BALANCES

Lignite Research Fund



■ Committed ■ Uncommitted

Oil and Gas Research Fund



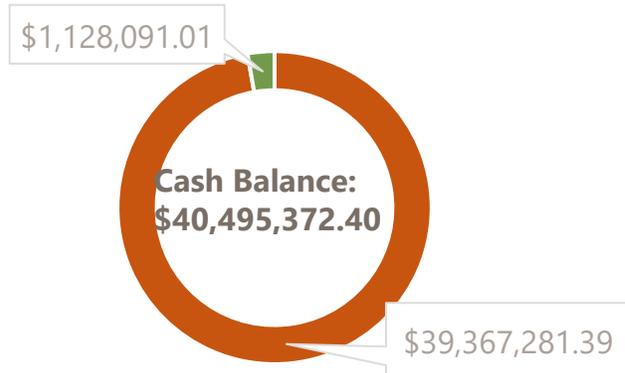
■ Committed ■ Uncommitted

Renewable Energy Fund



■ Committed ■ Uncommitted

Outdoor Heritage Fund



■ Committed ■ Uncommitted

CSEA Fund*



■ Committed ■ Uncommitted



536 Cumulative Projects



169 Active Projects



Cumulative Value:

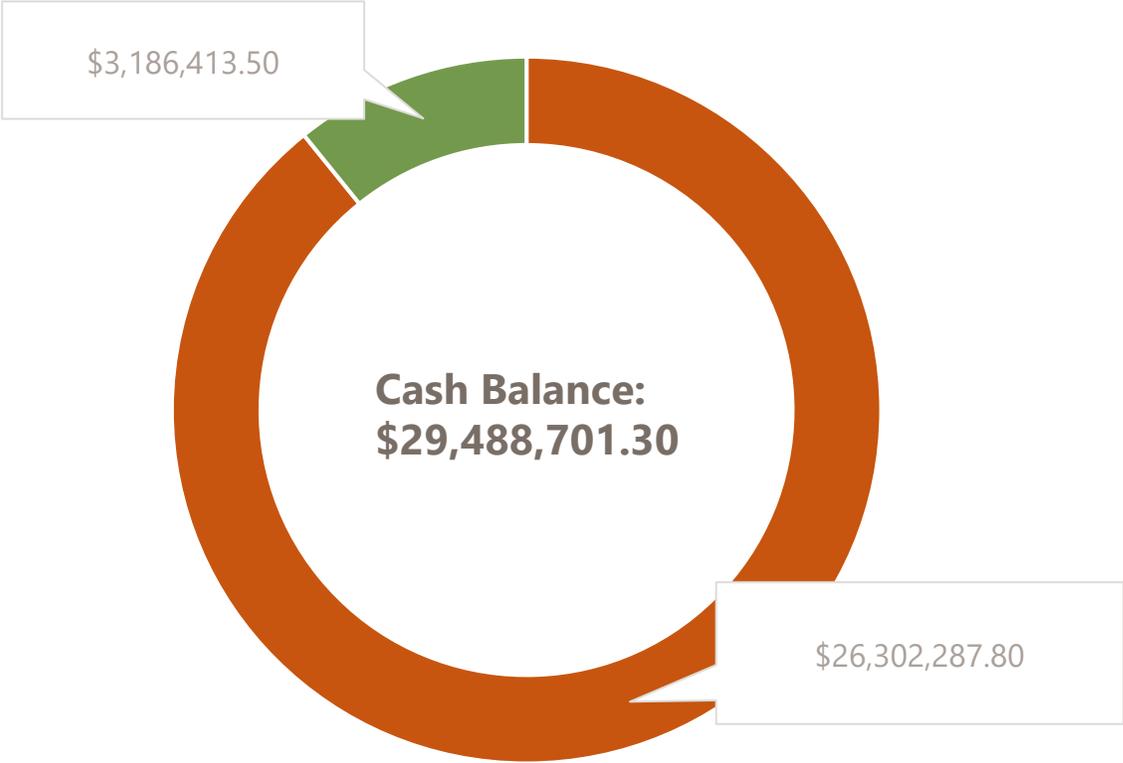
- \$382.6 million granted
- \$473 million loaned
- \$8.6 billion project value

*Does not include ARPA or Loans

LIGNITE RESEARCH FUND BALANCE

JULY 1, 2023

Lignite Research Fund



■ Committed ■ Uncommitted



Funding Source:

- 10¢/ton coal severance tax
- \$10 million oil extraction tax



254 Cumulative Projects



28 Active Projects



Cumulative Value:

- \$134.8 million granted
- \$2.7 billion project value

OIL AND GAS RESEARCH FUND BALANCE

JULY 1, 2023

Oil and Gas Research Fund



■ Committed ■ Uncommitted



Funding Source:

- \$20.5 million oil production and extraction tax



115 Cumulative Projects



25 Active Projects



Cumulative Value:

- \$90 million granted
- \$524.5 project value

RENEWABLE ENERGY FUND BALANCE

JULY 1, 2023

Renewable Energy Fund



Funding Source:

- \$3 million oil extraction taxes



69 Cumulative Projects



18 Active Projects

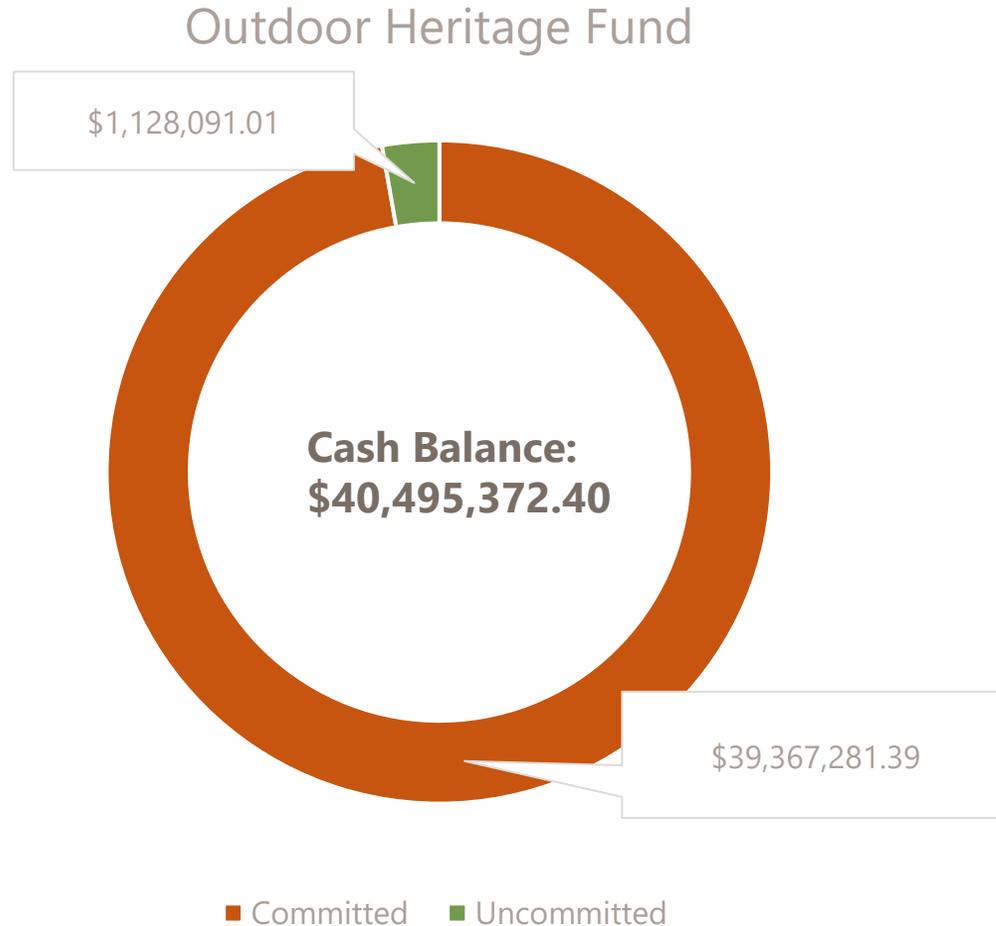


Cumulative Value:

- \$23.5 million granted
- \$154.7 million project value

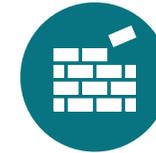
OUTDOOR HERITAGE FUND BALANCE

JULY 1, 2023



Funding Source:

- \$15 million oil production taxes



224 Cumulative Projects



88 Active Projects

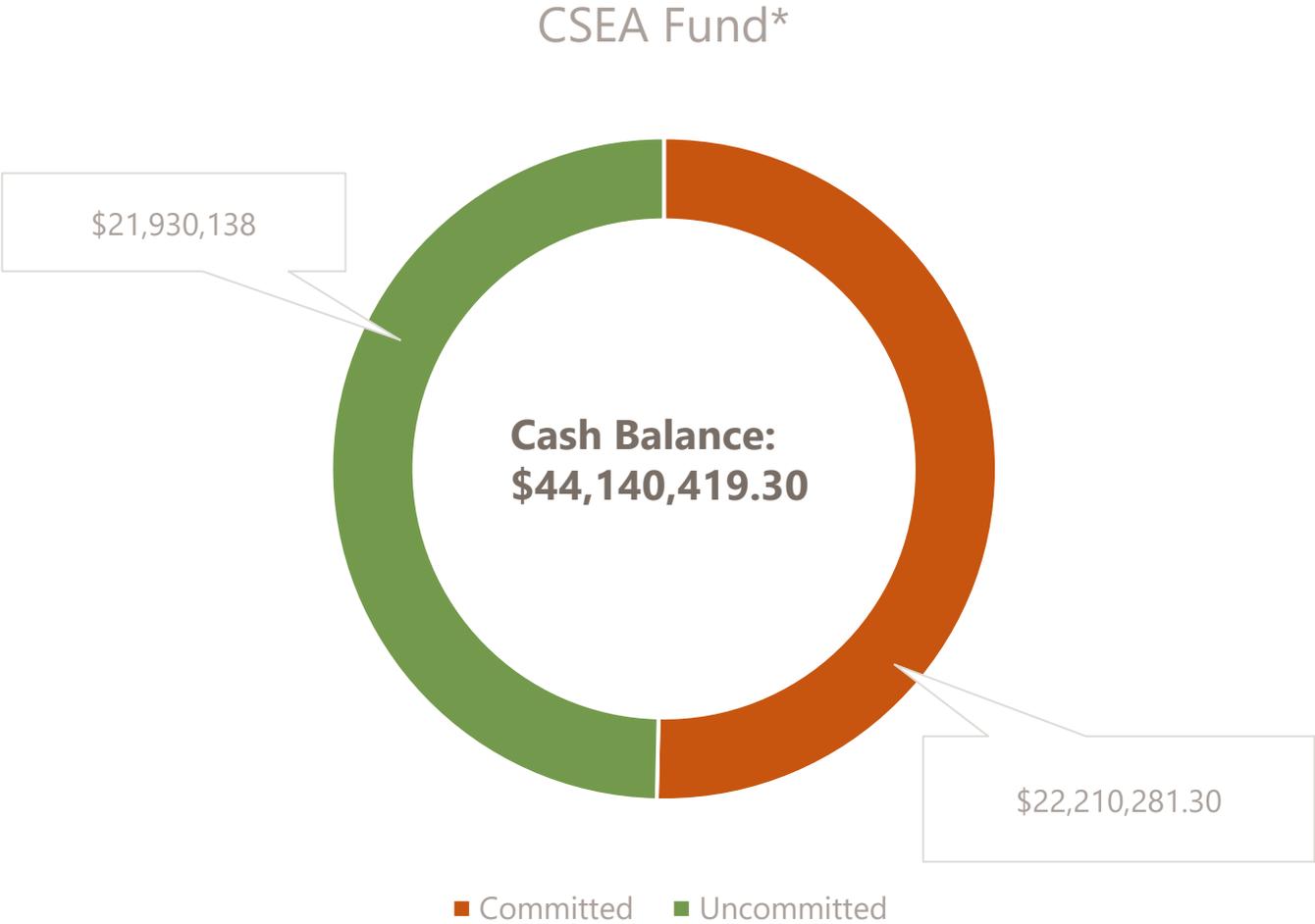


Cumulative Value:

- \$81.6 million granted
- \$210.7 million project value

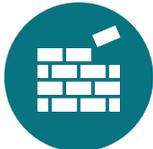
CLEAN SUSTAINABLE ENERGY FUND BALANCE

JULY 29, 2023



Funding Source:

- \$30 million general fund
- \$20 million ARPA (Hydrogen only)
- \$370 BND Line-of-Credit



14 Cumulative Projects



10 Active Projects



Cumulative Value:

- \$52.7 million granted
- \$473 million loaned
- \$5 billion project value

October 2023

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
					1
2 Deadline for Renewable and Lignite Research Program Applications	3	4 Lignite Energy Council Annual Conference Bismarck, ND Industrial Commission Meeting 9:00 – 13:00	5 Lignite Energy Council Annual Conference Bismarck, ND	6	7/8
9 DMR Admin Rules Hearings	10 DMR Admin Rules Hearings	11 WDEA Annual Meeting Dickinson, ND	12 WDEA Annual Meeting Dickinson, ND	13 NDHFA Advisory Board Meeting 10:00 – 12:00 OHF Technical Advisory Committee Meeting 13:00-16:00	14/15
16 IOGCC Annual Conference Park City, UT	17 IOGCC Annual Conference Park City, UT	18 IOGCC Annual Conference Park City, UT BND Finance and Credit Committee Meeting 13:00-15:00	19 Potential IJA Grid Resilience Stakeholder Meeting BND Advisory Board Meeting 13:00-16:00	20	21/22
23	24 Energy Development and Transmission Committee 9:00-16:00	25 DMR Hearings OHF Orientation/Policy Review Meeting 13:00-17:00	26 DMR Hearings OHF Advisory Board Meeting 9:00 – 17:00	27	28/29
30	31 Industrial Commission Meeting 8:00-12:00 Consideration of OHF applications, REP and LRC confidentiality requests				

November 2023

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
		1 Deadline for CSEA and Oil & Gas Research Council Applications	2	3	4/5
6 Renewable Energy Council Meeting 9:00-12:00	7 National Carbon Capture Conference Des Moines, IA	8 National Carbon Capture Conference Des Moines, IA	9 Lignite Research Council Meeting 13:30-16:30	10 Veterans Day (Observed)	11/12
13	14	15 DMR Hearings	16 DMR Hearings BND Advisory Board 10:00-12:00	17 NDHFA Advisory Board 10:00-12:00	18/19
20 Proposed Deadline for IJJA Grid Resilience Applications	21	22	23 Thanksgiving	24	25/26
27	28 Industrial Commission Meeting 12:30-17:00 Consideration of REP and LRC applications, CSEA and OGRC confidentiality requests	29	30		

December 2023

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
				1	2/3
4	5	6	7	8 NDHFA Advisory Board Meeting 10:00-12:00	9/10
11	12	13 DMR Hearings	14 DMR Hearings	15 Potential OGRC Meeting 9:00-12:00	16/17
18	19 Industrial Commission Meeting 12:30-17:00 Consideration of OGRC Applications; Potential consideration of IJA applications	20 BND Finance and Credit Committee 13:00-15:00	21	22	22/23
24 Christmas Eve	25 Christmas Day	26	27	28	29/30
31 New Years Eve					

GEOLOGICAL SURVEY QUARTERLY REPORT

*April 1, 2023 to June 30, 2023
to the*

NORTH DAKOTA INDUSTRIAL COMMISSION

Edward C. Murphy
State Geologist
Geological Survey
Department of Mineral Resources
North Dakota Industrial Commission

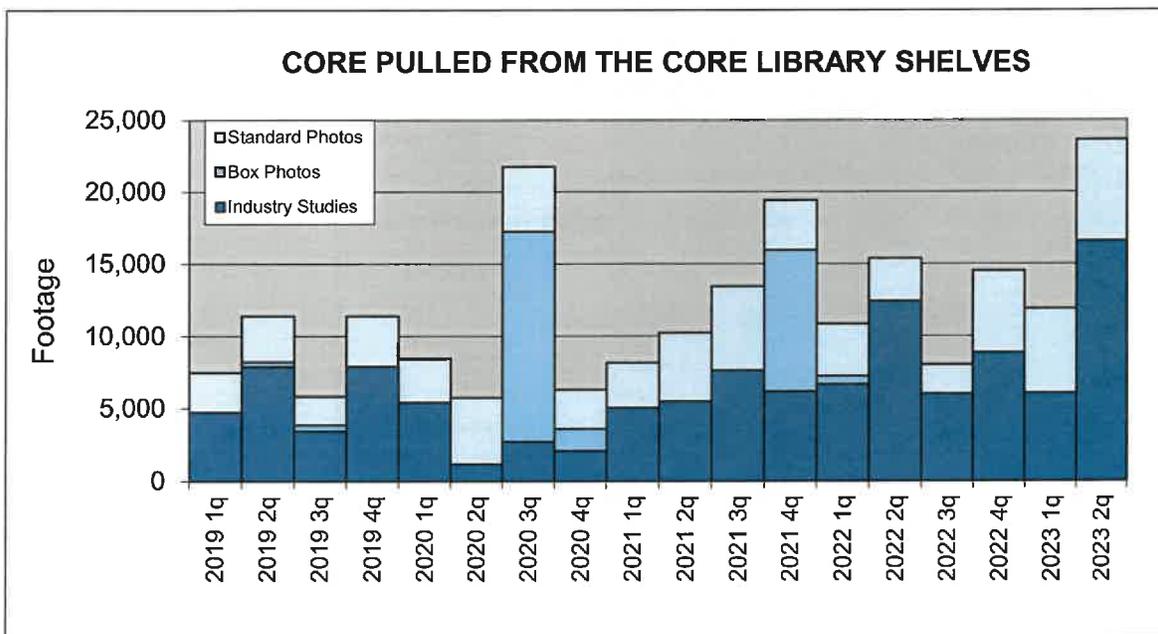
September 7, 2023

Table of Contents

WILSON M. LAIRD CORE AND SAMPLE LIBRARY	1
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Wilson M. Laird Core and Sample Library

During the second quarter of 2023, geologists and engineers from the Department of Mineral Resources and EERC as well as University of North Dakota students and professors studied 13,622 feet of core. In June, another 2,871 feet of core was shipped to Bismarck to be studied in the AAPG core workshop. The quarterly total, 16,493 feet, is the most core we have moved in one quarter over the last five years. Additionally, we photographed 7,022 feet of core generating 10,864 standard photographs for the subscription site.



Workers pulled 23,515 feet of core from library shelves during the second quarter of 2023.

AAPG Conference in Bismarck

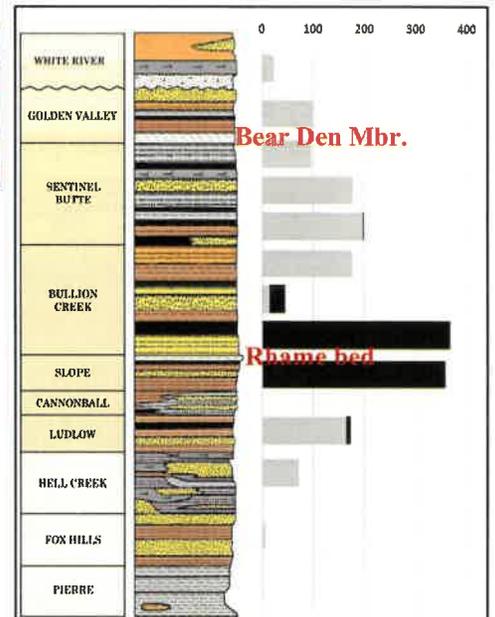
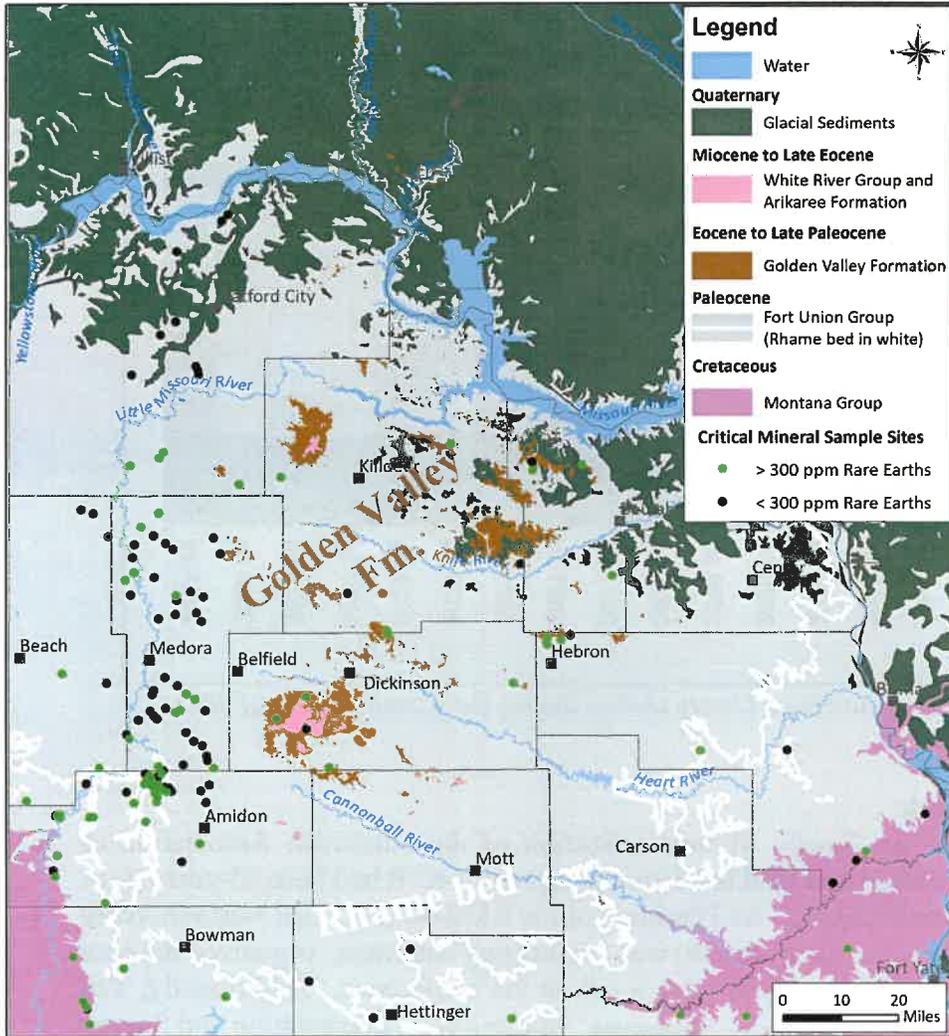
The annual meeting of the Rocky Mountain Section of the American Association of Petroleum Geologists (RMS-AAPG) was held in Bismarck on June 4-6. It had been 35 years since the meeting was last held in North Dakota. As President of the RMS-AAPG, Tim Nesheim (core library manager and head of the subsurface section) was the meeting chairman, organized the core workshop, gave a core presentations, and also gave a talk at the conference. Additionally, Ted Starns gave a presentation and Survey geologist Levi Moxness and Survey Paleontologist Clint Boyd lead a two-day post-conference fieltrip in western North Dakota. Two hundred people attended the conference.



Kathy Neset, Neset Consulting Service, giving a luncheon talk at the RMS-AAPG Conference in Bismarck.

Critical Minerals Report

On July 11, we released our eighth critical minerals report in the last six years, Report of Investigation no. 134, “Critical Mineral Enrichment in Lignites Beneath the Rhame Bed (Paleocene) of the Slope Formation in the Williston Basin of North Dakota.” The 267-page report contains 768 sample analyses from 165 geologic sections from the upper part of the Slope Formation and the basal part of the overlying Bullion Creek Formation.



Above: A surface geology map of southwestern North Dakota with a focus on the Rhame bed (white) and the Golden Valley Formation (brown). The black dots are sample sites <300 ppm rare earth elements, the green dots are > 300 ppm. Right: The stratigraphic position and the number of samples for RI 134 are highlighted in black.



An outcrop of the Bear Den Member (bright white beds) of the Golden Valley Formation in McKenzie County. The ND Geological Survey has found elevated critical mineral concentrations in the lower half of the white bed, the underlying gray beds, and the upper part of the Sentinel Butte Formation (from white line to white line).



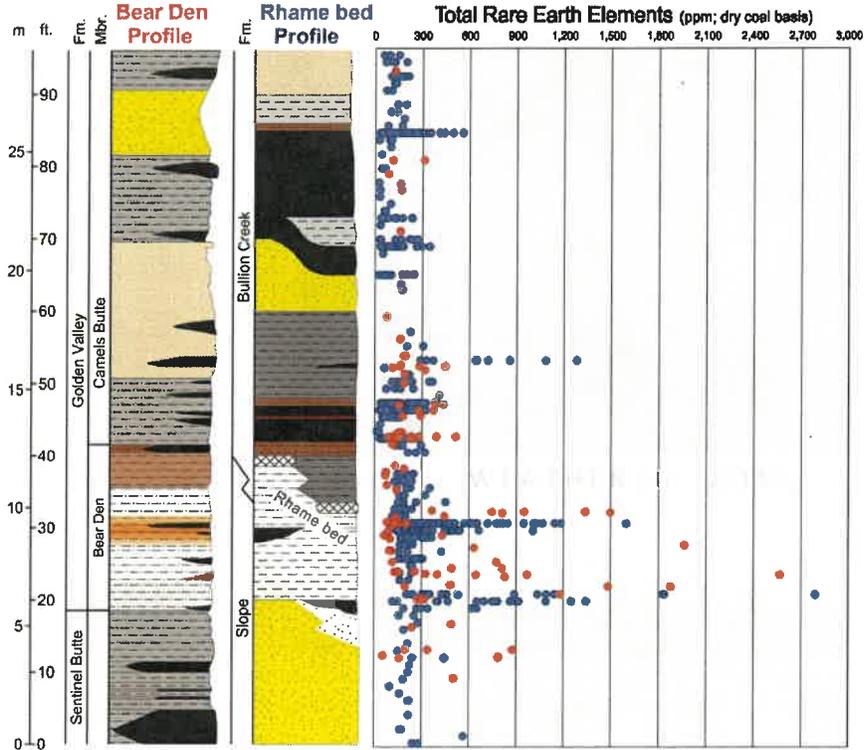
An outcrop of the Rhame bed at the top of the Slope Formation in northwestern Slope County. The ND Geological Survey has found elevated critical mineral concentrations in the lower half of the white bed and 15 feet into the underlying rocks of the Slope Formation (from black line to black line).



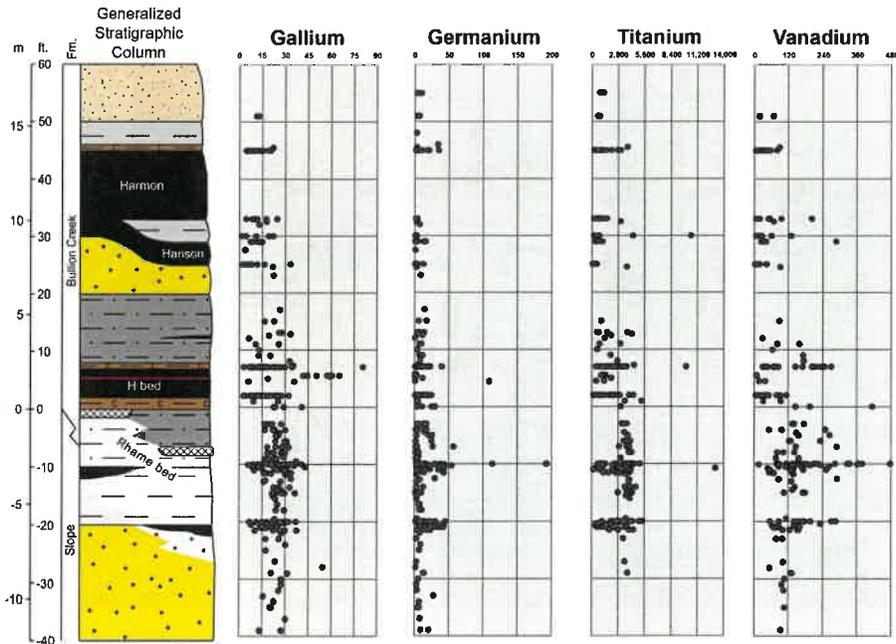
The black arrow points to measured section 284 and the bright white strata of the Rhame bed which can be traced through portions of T137N, R104W. Looking east-northeast to Bullion Butte.



The Rhame bed (the blue and green tinted rocks between the black lines) at Logging Camp Ranch (T136N, R102W, section 5) pinches out to both the left and right in this photograph.



The total rare earth element concentrations for a composite section of the Golden Valley and Sentinel Butte Formations are compared to a composite section of the Bullion Creek and Slope Formations. The highest rare earth element concentrations in both sections are generally found in the lower half of the weathering zone and the top 10 feet of the underlying rocks.



The total concentrations of the critical minerals gallium, germanium, titanium, and vanadium plotted against a composite section of the Bullion Creek and Slope Formations. In general, the other critical minerals are not grouped as well as they are for the rare earth elements within the lower Rhame bed and the underlying rocks.

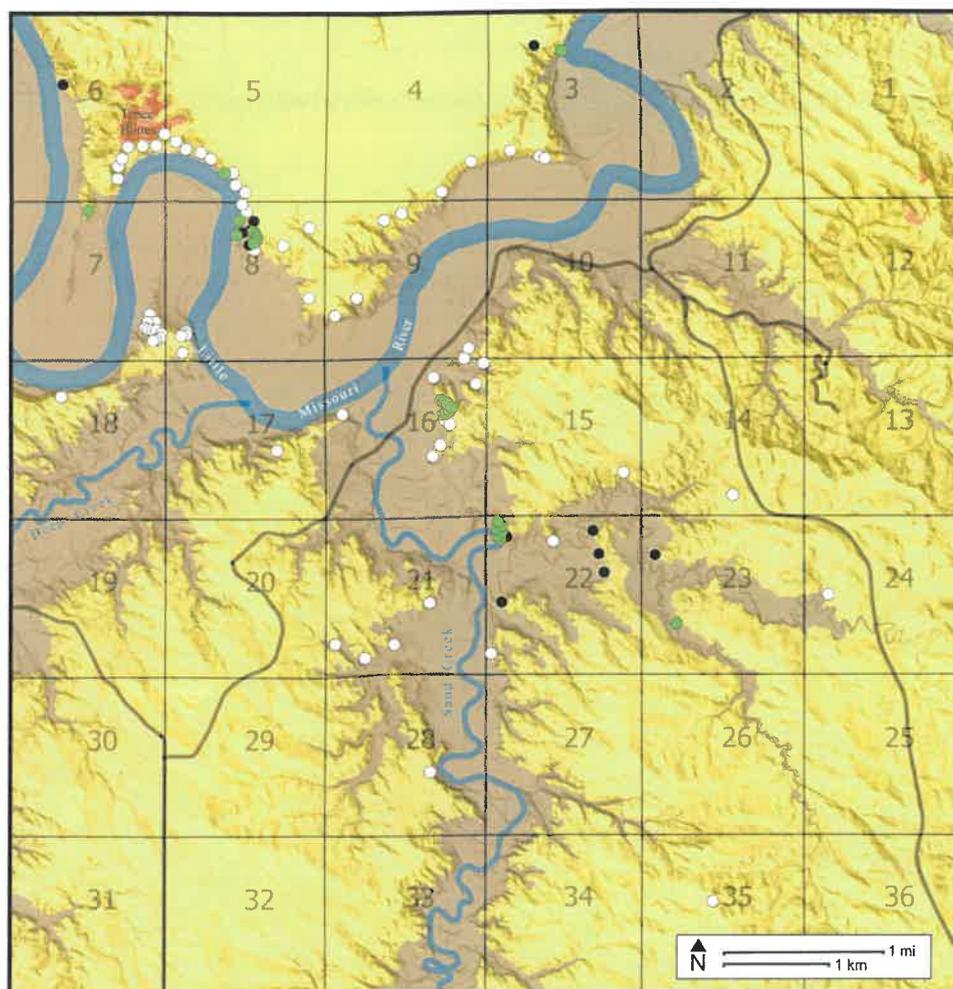


Measured section 284 in southeastern Golden Valley County. Left: Levi Moxness holds the labeled sampled bag adjacent to a 22-inch thick lignite at the base of the Rhame bed. Right: The top six inches of the thin coal contains an average rare earth element concentration of 1,834 ppm and the entire thin coal contains an average rare earth element concentration of 1,153 ppm



A thin lignite/carbonaceous bed (15 -22 inches thick) at the base of the Rhame bed in measured sections 210 (left) and 213 (right) located approximately 400 feet apart at Logging Camp Ranch in Slope County. The section 210 coal averages 693 ppm rare earth elements and the section 213 coal averages approximately 980 ppm.

NDGS Report of Investigation no. 134 contains a thin lignite sample with a rare earth element concentration of 2,792 ppm, the highest concentration yet reported for a North Dakota lignite. One of the goals of this project has been to find a five-foot-thick coal that averages 300 ppm of rare earth elements. Several of the thin, Rhame bed coals contain higher total concentrations than would be found in that five-foot-thick bed. Enriched rare earth elements include neodymium, praseodymium, dysprosium, gadolinium, and terbium. Additionally, enrichment was found in this horizon for a number of other critical minerals including antimony, cobalt, germanium, lithium, vanadium, and the noncritical mineral molybdenum. The primary goal of this project has been to generate an exploration model that industry can use to guide their critical minerals exploration program. Our last two reports have succeeded in narrowing the area of critical mineral interest from 1,800 feet of coal-bearing rocks down to two, 20-foot-thick horizons that are spaced approximately 1,000 feet apart stratigraphically. This 98% reduction in the stratigraphic target could potentially save companies millions of exploration dollars while significantly reducing the time that it takes to identify economic critical mineral deposits.



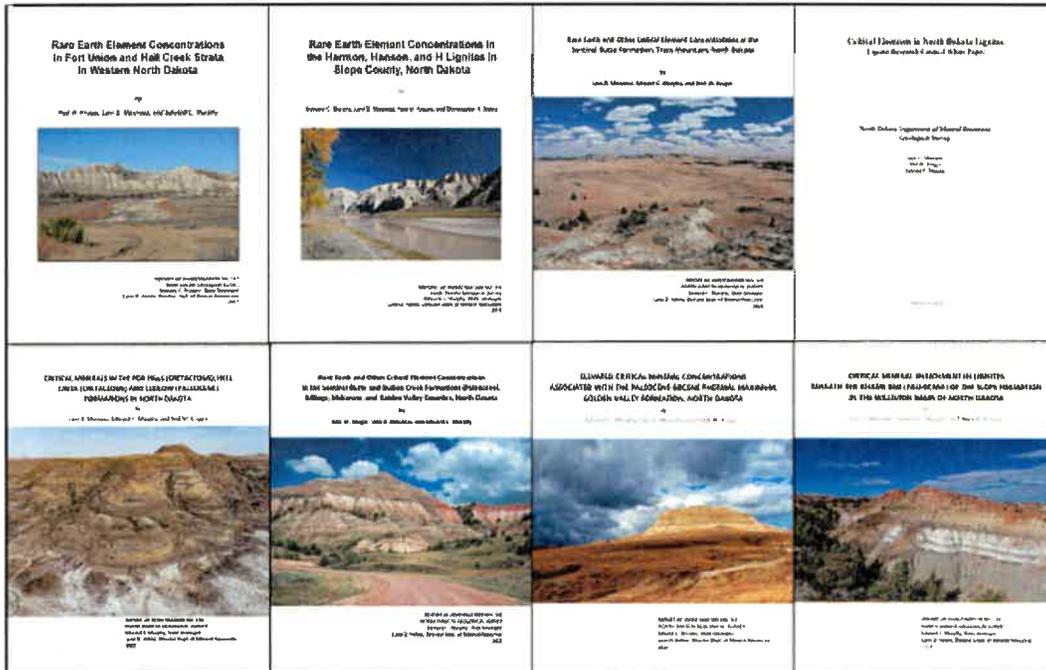
Measured Geologic Sections

- Lignite below Rhame bed >300 ppm REE
- Lignite below Rhame bed <300 ppm REE
- Rhame Bed not exposed or no lignite below

Revised Bedrock Geology

- Sentinel Butte Formation
- Bullion Creek Formation
- Slope Formation

The measured sections and sample localities in and around Logging Camp Ranch, Slope County.



The front covers of the eight ND Geological Survey critical mineral reports (2017-2023).

Silcrete

Often, outcrops of both the Bear Den Member and the Rhame bed contain a 1-3-foot-thick silicious (silica-rich) layer just above the white, bleached layer or weathering profile. The silcrete layer in the Bear Den Member is called the Taylor bed, named for prominent exposures of this layer in the Taylor, ND area and the silcrete in the Rhame bed is unnamed. Both silcrettes contain



A one-foot-thick silcrete layer (white arrow) within the Rhame bed in Slope County.

molds and occasionally casts of tree limbs and reed-like plants that appear to be equisetum or horsetail. This silica-rich rock is so resistant to erosion that it can be found lying on rocks that were deposited hundreds of feet beneath it. Because the silcrete is so durable, the architects for the Theodore Roosevelt Library were interested in using it in a decorative stone application.



Numerous molds of tree limbs crisscrossing in Taylor bed float in Grant County. A penny for scale in the upper right.



Taylor bed float at the top of Pearl Buttes in Adams County. These rocks are positioned only 200 feet above the Rhame bed (arrow).



An eight-foot-high rock pile of silcrete near Pretty Rock Butte in Grant County.



Stone buildings on an abandoned farmstead north of New England in Stark County.



A stone barn on an abandoned farmstead south of Golden Valley in Mercer County.

Regulatory Programs (April 1 to June 30, 2023)

Coal Exploration Program	No permits were issued this quarter.
Subsurface Mineral Program	One permit was issued this quarter.
UIC Class III Well Program	No permits were issued this quarter.
Geothermal Program	Eight permits (6 residential, 2 commercial) were issued this quarter.
Paleontological Resource Program	Four permits were issued this quarter.

Publications This Quarter ((April 1 to June 30, 2023)

Anderson, F.J. 2023, Surface Geology of the Georgetown Quadrangle, North Dakota: North Dakota Geological Survey 24K Map Series No. Grgt - sg.

Anderson, F.J. 2023, Surface Geology of the Argusville Quadrangle, North Dakota: North Dakota Geological Survey 24K Map Series No. Arge - sg.

Anderson, F.J. 2023, Surface Geology of the Perley Quadrangle, North Dakota: North Dakota Geological Survey 24K Map Series No. Prly - sg.

Anderson, F.J., 2023, Windblown Sand Resources in the Hazen East Quadrangle: North Dakota Geological Survey No. 270.

Anderson, F.J. and Gonzalez, M.A., 2023, Areas of Landslides Gorham NW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Grhm NW - 1.

Anderson, F.J., Maike, C.A., Moxness, L.D.; Murphy, E.C., Thapa, N., and York, B.C., 2023, Areas of Landslides in North Dakota: North Dakota Geological Survey Geologic Investigations No. 269.

Anderson, F.J., Moxness, L.D., Maike, C.A., and Murphy, E.C., 2023, Landslide Areas in Stark County, North Dakota, North Dakota Geological Survey, County Landslide Map Series, Stark-L, 1:125,000.

Anderson, F.J. and Murphy, E.C., 2023, Areas of Landslides Bismarck Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Bsmk - 1.

Anderson, F.J. and Murphy, E.C., 2023, Areas of Landslides Buffalo Gap Campground Quadrangle, ND Quadrangle:

North Dakota Geological Survey 24K Map Series No. BfGC - 1.

Anderson, F.J. and Murphy, E.C., 2023, Areas of Landslides Burning Mine Butte Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. BrMB - 1.

Anderson, F.J., Murphy, E.C., and Moxness, L.D., 2023, Landslide Areas in McKenzie County, North Dakota, North Dakota Geological Survey, County Landslide Map Series, McKenzie-L, 1:125,000.

Korth, W.W., Boyd, C.A., Emry, R.J., and Person, J.J. 2023. Additional small mammals from the Oligocene Brule Formation (late Orellan-Whitneyan) of southwestern North Dakota. *Paludicola*. 14(2):57-74.

Kruger, N.W., 2023, K2O Grades of the Potash-containing Members of the Prairie Formation, Stanley 100K Sheet, North Dakota: North Dakota Geological Survey Geologic Investigations No. 268.

Maike, C.A., 2023, Areas of Landslides Argusville Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Arge - 1.

Maike, C.A., 2023, Areas of Landslides Arthur SE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Artr SE - 1.

Maike, C.A., 2023, Areas of Landslides Arthur Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Artr - 1.

Maike, C.A., 2023, Areas of Landslides Ayr SE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Ayr SE - 1.

Maike, C.A., 2023, Areas of Landslides Ayr NE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Ayr NE - 1.

Maike, C.A., 2023, Areas of Landslides Ayr Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Ayr - 1.

Maike, C.A., 2023, Areas of Landslides Ayr NW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Ayr NW - 1.

Maike, C.A., 2023, Areas of Landslides Blanchard Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Blnd - 1.

Maike, C.A., 2023, Areas of Landslides Colgate Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Clgt - 1.

Maike, C.A., 2023, Areas of Landslides Galesburg Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Glsb - 1.

Maike, C.A., 2023, Areas of Landslides Galesburg NW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Glsb NW - 1.

Maike, C.A., 2023, Areas of Landslides Galesburg SE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Glsb SE - 1.

Maike, C.A., 2023, Areas of Landslides Grandin Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Grnd - 1.

Maike, C.A., 2023, Areas of Landslides Hope Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hope - 1.

Maike, C.A., 2023, Areas of Landslides Hope NE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hope NE - 1.

Maike, C.A., 2023, Areas of Landslides Hope SE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hope SE - 1.

Maike, C.A., 2023, Areas of Landslides Hunter Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hntr - 1.

Maike, C.A., 2023, Areas of Landslides Kelso Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Klso - 1.

Maike, C.A., 2023, Areas of Landslides Page SW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Page SW - 1.

Maike, C.A., 2023, Areas of Landslides Page Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Page - 1.

Maike, C.A., 2023, Areas of Landslides Page SE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Page SE - 1.

Maike, C.A., 2023, Areas of Landslides Pillsbury Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Plsb - 1.

Maike, C.A., 2023, Areas of Landslides Sherbrooke Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Shrb - 1.

Maike, C.A. and Anderson, F. J., 2023, Areas of Landslides Hillsboro NW Quadrangle, ND Quadrangle: North Dakota

Geological Survey 24K Map Series No. Hlsb NW - 1.

Maike, C.A. and Anderson, F. J., 2023, Areas of Landslides Hillsboro Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hlsb - 1.

Maike, C.A. and Anderson, F. J., 2023, Areas of Landslides Mayville South Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Myvl S - 1.

Maike, C.A. and Moxness, L.D., 2023, Areas of Landslides Blabon Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Blbn - 1.

Maike, C.A. and Moxness, L.D., 2023, Areas of Landslides Luverne Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Lvrn - 1.

Maike, C.A. and Moxness, L.D., 2023, Areas of Landslides Luverne SE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Lvrn SE - 1.

Maike, C.A. and Moxness, L.D., 2023, Areas of Landslides Luverne NW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Lvrn NW - 1.

Maike, C.A. and Murphy, E.C., 2023, Areas of Landslides Halstad SW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hstd SW - 1.

Maike, C.A. and Murphy, E.C., 2023, Areas of Landslides Gardner Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Gdnr - 1.

Moxness, L.D., 2023, Areas of Landslides Cayuga Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Cyga - 1.

Moxness, L.D., 2023, Areas of Landslides Claire City NW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. ClrC NW - 1.

Moxness, L.D., 2023, Areas of Landslides Claire City NE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. ClrC NE - 1.

Moxness, L.D., 2023, Areas of Landslides Cogswell Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Cgwl - 1.

Moxness, L.D., 2023, Areas of Landslides Forman Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Frmn - 1.

Moxness, L.D., 2023, Areas of Landslides Geneseo Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Gnso - 1.

Moxness, L.D., 2023, Areas of Landslides Havana Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hvna - 1.

Moxness, L.D., 2023, Areas of Landslides Lidgerwood Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Ldgr - 1.

Moxness, L.D., 2023, Areas of Landslides Kidder Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Kddr - 1.

Moxness, L.D., 2023, Areas of Landslides Marlow Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Mrlw - 1.

Moxness, L.D., 2023, Areas of Landslides Newark NW Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Nwrk NW - 1.

Moxness, L.D., 2023, Areas of Landslides Newark Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Nwrk - 1.

Moxness, L.D., 2023, Areas of Landslides Rutland Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Rtld - 1.

Moxness, L.D., 2023, Areas of Landslides Straubville Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Stbv - 1.

Moxness, L.D., 2023, Areas of Landslides Swan Lake Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Swnl - 1.

Moxness, L.D., 2023, Areas of Landslides Veblen NE Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Vbln NE - 1.

Moxness, L.D. and Anderson, F.J., 2023, Areas of Landslides Concrete Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Cnct - 1.

Moxness, L.D., Murphy, E.C., and Kruger, N.W., 2023, Critical Mineral Enrichment In Lignites Beneath The Rhome Bed (Paleocene) Of The Slope Formation In The Williston Basin Of North Dakota: North Dakota Geological Survey Report of Investigation No. 134, 273 p.

Murphy, E.C., Moxness, L.D., and Kruger, N.W., 2023, Elevated Critical Mineral Concentrations Associated with the Paleocene-Eocene Thermal Maximum, Golden Valley Formation, North Dakota: North Dakota Geological Survey

Report of Investigation No. 133, 95 p.

Wang, X., Emry, R.J., Boyd, C.A., Person, J.J., White, S.C., and Tedford, R.H. 2023. An exquisitely preserved skeleton of *Eoarcos vorax* (nov. gen. et sp.) from Fitterer Ranch, North Dakota (Early Oligocene) and systematics and phylogeny of North American early arctoids (Carnivora, Caniformia). Society of Vertebrate Paleontology Memoir 22. *Journal of Vertebrate Paleontology*. 42(2, Supplement). DOI: 10.1080/02724634.2022.2145900

York, B.C. and Anderson, F.J., 2023, Areas of Landslides Hallson Quadrangle, ND Quadrangle: North Dakota Geological Survey 24K Map Series No. Hlsn - 1.

Presentations This Quarter (April 1 to June 30, 2023)

- C. Boyd, Dakota Lab Tour, General Public, Paleontology Lab, Heritage Center, April 4.
- B. Barnes, Dakota Lab Tour, General Public, Paleontology Lab, Heritage Center, April 11.
- J. Person, Dakota Lab Tour, General Public, Paleontology Lab, Heritage Center, April 11.
- B. Barnes, Paleontology lab & collections tour, After School Place, Paleontology Lab, April 12.
- T. Nesheim, lower Tyler Formation, NDSU Geology Department, Fargo, April 12.
- J. Person, Paleontology Lab & Collections tour, Montpelier High School, Heritage Center, April 13.
- B. Barnes, J. Person, Earth Day, Wachter & Simle 6th graders, Bismarck Civic Center, April 18.
- T. Ford, Dakota Lab Tour, General Public, Paleontology Lab, Heritage Center, April 18.
- T. Nesheim, lower Tyler Formation, MSU- Moorhead Geology Department, April 24.
- T. Nesheim, Career Path Overview, MSU-Moorhead Geology, Archeology, Anthro. Depts., April 24.
- B. Barnes, Science Olympiad rocks, General Public, Paleontology Collections, April 24.
- M. Householder, Dakota Lab Tour, General Public, Paleontology Lab, April 25.
- B. Barnes, Dakota Lab Tour, General Public, Paleontology Lab, April 25.
- T. Starns, Reservoir performance of the Mississippian Madison Frobisher-Alida (Rival) – Midale Fields, Williston Basin Petroleum Conf., Regina, Saskatchewan, May 1.
- J. Person, Paleontology Lab & Collections tour, General Public, Heritage Center, May 1.
- J. Person, Dakota Lab Tour, General Public, Paleontology Lab, May 2.
- M. Householder, Dakota Lab Tour, General Public, Paleontology Lab, May 2.
- C. Boyd, Dakota Lab Tour, Homeschool group, Paleontology Lab, May 2.
- B. Barnes, Dakota Lab Tour, Homeschool group, Paleontology Lab, May 2.
- J. Person, Paleontology Lab tour, VIPs, Paleontology Lab, May 4.
- F. Anderson, Frost in Soils in ND, Landslides Across ND, BEK TV Show, Bismarck, May 17.
- J. Person, Dakota Lab Tour, General Public, Paleontology Lab, May 16.
- J. Person, Dakota Lab Tour, General Public, Paleontology Lab, May 23.
- T. Starns, Reservoir performance of the Mississippian Madison Frobisher-Alida (Rival) – Midale Fields, RMS-AAPG Mtg., Bismarck Event Center, June 5.
- C. Maike, Landslides in North Dakota: A Complete Dataset and Mapping into the Future, RMS-AAPG, Bismarck Event Center, June 6.
- L. Moxness, Pedogenic Enrichment of REE in ND Lignites, RMS-AAPG Mtg., Bismarck Event Center, June 6.
- L. Moxness, C. Boyd, Little Missouri Badlands Fieldtrip, RMS-AAPG Mtg., June 7 and 8.
- N Kruger, Petrified Forest Fieldtrip, Coal Reclamation Scientists, Medora, June 7.
- J. Person, Fieldtrip to White Butte and Fitterer Ranch, RMS-AAPG, Dickinson, June 8.
- J. Person, Paleontology Lab and Collections tour, General Public, Heritage Center, June 9.
- J. Person, Geology and Paleontology of ND, Lignite Energy Council Teacher event, BSC Energy Center, June 12.
- J. Person, Geology and Paleontology of ND, Summer Biology Students, Heritage Center, June 12.
- L. Moxness, REE and other critical minerals in ND lignite: A new exploration model, National Association of Royalty Owners (ND NARO), Radisson Hotel 6/14/2023
- B. York, Gateway to Science STEM: Topographic Maps, 6th-9th graders, Duck's Unlimited, June 29.

North Dakota Industrial Commission
Docket for Hearing
Monday, May 8, 2023 – Wednesday May 10, 2023 09:00 AM

N.D. Oil & Gas Division
1000 East Calgary Avenue
Bismarck, North Dakota

Case No. 29227 consolidated with Case No. 29226

Hess Bakken Investments II, LLC
vs.
Vitesse Energy, LLC and Vitesse Oil, LLC

Docket for Hearing

Monday, August 7, 2023

N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30122, Order No. 32806: Application of DCC West Project LLC requesting consideration for the geologic storage of carbon dioxide in the Broom Creek Formation from the Milton R. Young Station and other sources in the storage facility located in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 29, 30, 31, and 32, Township 141 North, Range 84 West, Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, and 36, Township 141 North, Range 85 West, Sections 19, 20, 21, 28, 29, 30, 31, 32, 33, and 34, Township 142 North, Range 84 West, and Sections 24, 25, 33, 34, 35, and 36, Township 142 North, Range 85 West, Oliver County, North Dakota pursuant to North Dakota Administrative Code Chapter 43-05-01.

Docket for Hearing
Monday, August 7, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30123, Order No. 32807: A motion of the Commission to consider the amalgamation of the storage reservoir pore space, in which the Commission may require that the pore space owned by nonconsenting owners be included in the geologic storage, as required to operate the DCC West Project LLC storage facility located in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 29, 30, 31, and 32, Township 141 North, Range 84 West, Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, and 36, Township 141 North, Range 85 West, Sections 19, 20, 21, 28, 29, 30, 31, 32, 33, and 34, Township 142 North, Range 84 West, and Sections 24, 25, 33, 34, 35, and 36, Township 142 North, Range 85 West, Oliver County, North Dakota, in the Broom Creek Formation, pursuant to North Dakota Century Code Section 38-22-10.

Docket for Hearing
Monday, August 7, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30124, Order No. 32808: A motion of the Commission to determine the amount of financial responsibility for the geologic storage of carbon dioxide from the Milton R. Young station and other sources in the storage facility located in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 29, 30, 31, and 32, Township 141 North, Range 84 West, Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, and 36, Township 141 North, Range 85 West, Sections 19, 20, 21, 28, 29, 30, 31, 32, 33, and 34, Township 142 North, Range 84 West, and Sections 24, 25, 33, 34, 35, and 36, Township 142 North, Range 85 West, Oliver County, North Dakota, in the Broom Creek Formation, pursuant to North Dakota Administrative Code Section 43-05-01-09.1.

Docket for Hearing
Wednesday, July 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30207, Order No. 32817: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Elk-Bakken Pool, McKenzie County, ND, to establish two overlapping laydown 1600-acre spacing units described as the E/2 of Section 14, All of Section 13, T.152N., R.102W., and All of Section 18, T.152N., R.101W.; and the E/2 of Section 23, All of Section 24, T.152N., R.102W., and All of Section 19, T.152N., R.101W., and authorize four horizontal wells to be drilled on each such unit, or granting such other relief as may be appropriate.

Docket for Hearing
Wednesday, July 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30213, Order No. 32823: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the State 1-16 well (File No. 7120), NESE Section 16, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Wednesday, July 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30214, Order No. 32824: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the WJ BN 1-15 well (File No. 7145), NENE Section 15, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Wednesday, July 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30215, Order No. 32825: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the US 3-22 well (File No. 7459), SENW Section 22, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Wednesday, July 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30216, Order No. 32826: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the BN 2-27 well (File No. 8214), SWNE Section 27, T.141N., R.100W., Whiskey Joe Field, Billings County, ND, operated by Norton Frickey, or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing

Thursday, July 27, 2023

N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30250, Order No. 32860: In the matter of a hearing called on a motion of the Commission to consider the termination, reduction, or any other appropriate action of the Northeast Foothills-Madison Unit, Burke County, ND, operated by Scout Energy Management LLC.

Docket for Hearing

Thursday, July 27, 2023

N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30011, Order No. 32620: Application of Cobra Oil & Gas Corporation for an order of the Commission terminating the Bauman Drain-Madison Unit, Bottineau County, ND, and such other relief as is appropriate.

Docket for Hearing
Wednesday, August 23, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30267, Order No. 32877: Application of Marathon Oil Co. for an order authorizing treaters to be located closer than 125 feet to process vessels as an exception to the provisions of NDAC § 43-02-03-28 on well pads operated by Marathon Oil Co., or granting such other relief as may be appropriate.

Docket for Hearing

Tuesday, November 2, 2021

N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 29030, Order No. 31584: Application of Minnkota Power Cooperative, Inc. to consider the amalgamation of the storage reservoir pore space, in which the Commission may require that the pore space owned by nonconsenting owners be included in the geologic storage facility and subject to geologic storage, as required to operate the Minnkota Power Cooperative, Inc. storage facility located in Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, Township 141 North, Range 83 West, Sections 1, 2, 12, 13, Township 141 North, Range 84 West, Sections 19, 20, 21, 22, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, Township 142 North, Range 83 West, Sections 35, 36, Township 142 North, Range 84 West, Oliver County, North Dakota, in the Broom Creek Formation, pursuant to North Dakota Century Code Section 38-22-10.

Docket for Hearing
Wednesday, August 23, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30265, Order No. 32875: Application of Phoenix Operating LLC for an order amending the applicable orders for the Burg, Green Lake and/or Smoky Butte-Bakken Pools to establish an overlapping 3840-acre spacing unit described as Sections 5 and 6, T.159N., R.99W., Williams County, ND and Section 1, T.159N., R.100W., Williams County, ND and Sections 31 and 32, T.160N., R.99W., Divide County, ND and Section 36, T.160N., R.100W., Divide County, ND and to authorize 1 horizontal well to be drilled on such unit and granting such other relief as may be appropriate.

North Dakota Industrial Commission
Department of Mineral Resources
Oil and Gas Division
1000 East Calgary Avenue
Bismarck, North Dakota

Case No. 29835

North Dakota Industrial Commission, Complainant

vs.

WW Oilfield Services, LLC, Respondent



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

TO: Doug Burgum, Governor and Chairman
Drew Wrigley, Attorney General
Doug Goehring, Agriculture Commissioner

FR: Reice Haase, Deputy Executive Director

DT: October 4th, 2023

RE: Contract for Legislative-Directed Rare Earth Minerals Study

Section 14 of House Bill 1014 passed by the 68th Legislative Assembly appropriated \$1,500,000 from SIIF to the state energy research fund for the purpose of a study of “prospective in-state resources of economically feasible accumulations of critical minerals, including rare earth elements and other high-value minerals or materials that may be suitable for extraction and enrichment.”

House Bill 1014 directs the Industrial Commission to distribute the \$1,500,000 from the fund to the State Energy Research Center to conduct the study. Subsection 3 requires:

The study must include a review of in-state mineral accumulations, including coal deposits, ore bodies, oil and gas reservoirs, produced water from oil and gas development activities, saltwater zones, and shale formations. While conducting the study, the state energy research center shall collaborate with the North Dakota geological survey and active mineral lessors and developers.

The EERC, acting as the State Energy Research Center, is prepared to conduct the required work to meet the legislative intent of Section 14 of House Bill 1014 while partnering with the North Dakota Geological Survey to conduct drilling and assessments of coal deposits in western North Dakota.

The Office of the Industrial Commission is prepared to draft a contract with the EERC, acting as the State Energy Research Center, to meet the requirements of the bill, contingent upon receipt of a proposal to include: total project costs not to exceed \$1,500,000, with \$500,000 provided to the North Dakota Geological Survey for subsurface coal investigations, project participants to include active mineral lessors and developers, quarterly reports, a project timetable within the 2023-2025 biennium, and a scope of work to include reviews of: ore bodies, oil and gas reservoirs, produced water from oil and gas development activities, saltwater zones, and shale formations.

Similar to the Commission's research and development grant projects, the draft contract would be developed in consultation with the Attorney General's Office. The contract would require, at a minimum, that the above scope of work is accomplished. Funds would be dispersed only after review and approval of status reports and verification of expenses.

Therefore, I recommend that the Industrial Commission authorize the Office of the Industrial Commission to enter into a contract with the Energy and Environmental Research Center, acting as the State Energy Research Center, to approve funding of \$1,500,000 from the state energy research fund for a study of rare earth minerals as directed by Section 14 of House Bill 1014 passed by the 68th Legislative Assembly, contingent upon receipt of a proposal to include total project costs not to exceed \$1,500,000, with \$500,000 provided to the North Dakota Geological Survey for subsurface coal investigations, project participants to include active mineral lessors and developers, quarterly reports, a project timetable within the 2023-2025 biennium, and a scope of work to include reviews of: ore bodies, oil and gas reservoirs, produced water from oil and gas development activities, saltwater zones, and shale formations.

SECTION 14. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO STATE ENERGY RESEARCH CENTER FUND - RARE EARTH MINERALS STUDY - REPORT TO LEGISLATIVE MANAGEMENT.

1. The office of management and budget shall transfer the sum of \$1,500,000 from the strategic investment and improvements fund to the state energy research center fund during the biennium beginning July 1, 2023, and ending June 30, 2025.
2. Pursuant to the continuing appropriation under section 57-51.1-07.9, the industrial commission shall distribute up to \$1,500,000 from the state energy research center fund to the state energy research center for a study related to prospective in-state resources of economically feasible accumulations of critical minerals, including rare earth elements and other high-value minerals or materials that may be suitable for extraction and enrichment.
3. The study must include a review of in-state mineral accumulations, including coal deposits, ore bodies, oil and gas reservoirs, produced water from oil and gas development activities, saltwater zones, and shale formations. While conducting the study, the state energy research center shall collaborate with the North Dakota geological survey and active mineral lessors and developers.
4. During the 2023-24 interim, the state energy research center shall provide at least one report to the legislative management regarding the study.

Proposed Task 1: \$500,000 Drilling Program

Over the last eight years, the North Dakota Department of Mineral Resources - Geological Survey has collected rock samples, primarily lignites, from over 300 sites in western North Dakota. Most of those sample sites were within the Little Missouri River badlands where rock outcrops are abundant. Throughout the rest of western North Dakota outcrops are primarily scattered. So far, both the most consistent and the highest concentrations of rare earth elements occur in association with two ancient soil horizons and lignites within the 30 feet of underlying rock. The upper horizon is called the Bear Den Member of the Golden Valley Formation and the lower is called the Rhame bed of the Slope Formation. These two horizons are spaced 1,000 feet apart stratigraphically and one or both are present in the near subsurface across western ND, but outside of the badlands a lack of outcrops makes these horizons difficult to sample without drilling. Approximately 50 holes will be cored through one or the other of these horizons in areas of limited outcrops in western North Dakota. Hole depths are anticipated to range between 50 and 150 feet. Core samples of organic-rich rocks (lignites and carbonaceous claystones) and the surrounding kaolinite-rich claystones will be analyzed for critical minerals. The results from these drillholes will provide important characterization data including: 1) the depth and relative stratigraphic position of these horizons in areas of poor control, 2) the weathering intensity and development of these horizons (rare earth source rocks) across the basin, 3) the frequency of lignite occurrence (rare earth host rocks) below these horizons, and 4) the degree and thickness of rare earth element enrichment in lignites and carbonaceous claystones.



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

TO: Doug Burgum, Governor and Chairman
Drew Wrigley, Attorney General
Doug Goehring, Agriculture Commissioner

FR: Reice Haase, Deputy Executive Director

DT: October 4th, 2023

RE: Contract for Legislative-Directed Underground Energy Storage Research Project

Section 15 of House Bill 1014 passed by the 68th Legislative Assembly appropriated \$6,000,000 from SIIF to the state energy research fund for the purpose of constructing a salt cavern as a component of an underground energy storage research project. Additionally, the legislature directed the Industrial Commission to distribute the \$6,000,000 as well as the remaining balance of ARPA funds from the de-committed Bakken Energy CSEA project to the State Energy Research Center to complete the project. **The full amount equals \$11,236,070.88.**

The Office of the Industrial Commission is prepared to draft a contract with the EERC to meet the legislative requirements of the bill, contingent upon receipt of a proposal to include: total project costs not to exceed \$11,236,070.88, project participants with demonstrated financial support from at least one nonstate entity, scope of work meeting the requirements of House Bill 1014, quarterly reports, and a project timetable within the 2023-2025 biennium.

Similar to the Commission's research and development grant projects, the draft contract would be developed in consultation with the Attorney General's Office. The contract would require, at a minimum, that the above scope of work is accomplished. Funds would be dispersed only after review and approval of status reports and verification of expenses.

Therefore, I recommend that the Industrial Commission authorize the Office of the Industrial Commission to enter into a contract with the Energy and Environmental Research Center, acting as the State Energy Research Center, to approve funding not to exceed \$11,236,070.88 for an underground energy storage research project as directed by Section 15 of House Bill 1014 passed by the 68th Legislative Assembly, contingent upon receipt of a proposal to include total project costs not to exceed \$11,236,070.88, project participants with demonstrated financial support from at least one nonstate entity, scope of work meeting the requirements of House Bill 1014, quarterly reports, and a project timetable within the 2023-2025 biennium.

SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO STATE ENERGY RESEARCH CENTER FUND - FEDERAL STATE FISCAL RECOVERY FUND - UNDERGROUND ENERGY STORAGE RESEARCH PROJECT - REPORT TO LEGISLATIVE MANAGEMENT.

1. The office of management and budget shall transfer the sum of \$6,000,000 from the strategic investment and improvements fund to the state energy research center fund.
2. Pursuant to the continuing appropriation authority under section 57-51.1-07.9 and pursuant to subsection 36 of section 1 of chapter 550 of the 2021 Special Session Laws, as amended in section 24 of this Act and exempted in section 26 of this Act, the industrial commission shall distribute up to \$6,000,000 from the state energy research center fund and up to \$5,300,000 of federal funds from the state fiscal recovery fund to the state energy research center for a salt cavern underground energy storage research project.
3. The research project must include construction of up to two salt caverns in geological formations in North Dakota for the development of underground storage of energy resources, including natural gas, liquified natural gas, natural gas liquids, and hydrogen. The state energy research center may collaborate with other entities as needed on the research project. Prior to distributing the funding, the industrial commission must receive, from at least one nonstate entity, assurance of financial or other types of support that demonstrate a commitment to the research project.
4. During the 2023-24 interim, the state energy research center shall provide quarterly reports to the industrial commission and at least one report to the legislative management regarding the status and results of the research project.

October 04, 2023

To: Industrial Commission

From: Todd Steinwand

This memo is to inform you of my intent to retire as President and CEO of Bank of North Dakota in the second quarter of 2024. I am very grateful for the support and collaboration you have given me as a commission and individually during my 8 years at BND and especially the last 3 years during my role as President. Serving this “one of a kind” institution and working alongside the dedicated team at BND has been an incredible privilege.

I plan to continue to work diligently while you go through the process of determining my successor to ensure a smooth transition. There is a very strong management team at BND and I am confident the bank will continue to be an economic engine for the citizens of North Dakota long after my retirement.

Thanks again for your support, partnership and most of all your friendship.



Todd Steinwand
President

MEMORANDUM

To: ND Industrial Commission

From: Advisory Board
Bank of North Dakota

Date: September 27, 2023

Re: President/CEO search process

During the joint meeting of the ND Industrial Commission and BND Advisory Board on July 28, 2023, Todd Steinwand communicated his plan to retire before the 2025 legislative session. Mr. Steinwand has now submitted formal communication to the Commission about his intent. With this timeline now certain, it is important to plan for the process to search and select the next BND President/CEO.

The following proposal and timeline are based on guidance provided by the Commission at the joint meeting, as well as best practices when hiring for a position at this level while also providing internal talent the opportunity to apply. The timeline below would allow Mr. Steinwand and the newly named President/CEO transition time to work together if necessary.

Communication and recruitment plan:

- 10-9-2023 – Formal communication to BND employees at all employee meeting.
- 11-1-2023 or after 10-9-2023 announcement - Post internally at BND
 - Our succession planning process has provided ongoing opportunities for internal employees to hone skills needed for this important role. Allowing them to apply and compete for the position is critical.
- 11-1-2023 or after 10-9-2023 announcement - Utilize the standard process of posting positions, including ND Job Service, ND state job board, Indeed.com, LinkedIn.com, etc.
- 11-1-2023 or after 10-9-2023 announcement - Engage an executive search firm to conduct a search (firm selection process TBD)
 - It was noted in the joint meeting discussion that a search for candidates with current or past ties to ND could be beneficial due to the unique nature and scope of the role. Knowledge and relationships with key stakeholders including our market partners and the ND legislature are critical.

Search team members:

- Each IC member or a designated representative
- Interim Executive Director to the IC, Karen Tyler
- Members of the Advisory Board yet to be determined by the Advisory Board Chair
- BND Chief Administrative Officer, Lori Leingang

The BND Advisory Board would be happy to assist however needed to produce the best candidate. Please let us know how we can participate in this important process, thank you.

**BANK OF NORTH DAKOTA
FINANCE AND CREDIT COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Wednesday, June 14, 2023 – 1:00 p.m. CT**

MEMEBRS PRESENT Brenda Foster, Chairman
VIA PHONE: Christy Obenauer
Bill Price

ALSO PRESENT
VIA PHONE: Sarah Jangula, BND
Rob Pfennig, BND
Kirby Evanger, BND
Craig Hanson, BND
Kaylen Hausauer, BND
Gus Staahl, BND
Angie Duchsherer, BND

Chairman Foster called the meeting to order at 1:00 p.m.

Chairman Foster adjourned the nonconfidential portion of the meeting at 1:00 p.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 1:00 p.m. and was attended by Brenda Foster, Christy Obenauer, Bill Price, Sarah Jangula, Rob Pfennig, Kirby Evanger, Craig Hanson, Kaylen Hausauer, Gus Staahl, Angie Ducscherer

The following items were considered during Executive Session:

- Recommendations of Loan Applications to the Advisory Board Committee
- Problem Loan as of 05/31/2023

The Executive Session adjourned at 1:20 p.m.

Chairman Foster reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

- A recommendation will be made to the Advisory Board Committee to approve the loan application 1 as presented.

Rob Pfennig presented the May 2023 Monthly Financial Summary.

The next Advisory Board Finance and Credit Committee meeting will be held Wednesday, June 19, 2023.

Being no further Bank of North Dakota business, Chairman Foster adjourned the nonconfidential portion of the meeting at 1:40 p.m.

Sarah Jangula, Executive Assistant

**BANK OF NORTH DAKOTA
FINANCE AND CREDIT COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Wednesday, July 19, 2023 – 1:00 p.m. CT**

MEMEBRS PRESENT

VIA PHONE: Brenda Foster, Chairman
Christie Obenauer
Bill Price

ALSO PRESENT

VIA PHONE: Sara Schumacher, BND
Rob Pfennig, BND
Kirby Evanger, BND
Craig Hanson, BND
Joel Erickson, BND
Jared Mosbrucker, BND
Angie Duchsherer, BND

Chairman Foster called the meeting to order at 1:00 p.m.

Chairman Foster adjourned the nonconfidential portion of the meeting at 1:00 p.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 1:00 p.m. and was attended by Brenda Foster, Christie Obenauer, Bill Price, Sara Schumacher, Rob Pfennig, Kirby Evanger, Craig Hanson, Joel Erickson, Jared Mosbrucker, Angie Duchsherer

The following items were considered during Executive Session:

- Recommendations of Loan Applications to the Advisory Board Committee
- Problem Loans – Adversely Classified Quarterly Recap/Detail
- Second Quarter 2023 CECL Review
- Non-Accrual Loans Quarterly Recap/Detail
- Loan Charge-Offs and Recoveries Y.T.D. 06/30/2023
- Off-Balance Sheet Risk Quarterly Recap/Detail

The Executive Session adjourned at 2:00 p.m.

Chairman Foster reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

- A recommendation will be made to the Advisory Board Committee to approve the loan application 1 as presented.
- A recommendation will be made to the Advisory Board Committee to approve the consent agenda as presented.

Rob Pfennig presented the following items for review and discussion:

- Net income Projections

Service Area Managers presented the First Quarter 2023 Performance Highlights. Brenda Foster recommended BND's Executive team present to the Advisory Board Committee.

NONCONFIDENTIAL FINANCE AND CREDIT COMMITTEE MEETING MINUTES

Wednesday, July 19, 2023

Kirby Evanger presented for approval Amendments to the General Loan Policy (Legislative Changes). A recommendation will be made to the Advisory Board Committee to approve the changes as presented.

Consent Agenda

- Second Quarter 2023 Swap Analysis
- Performance Management Dashboard

A recommendation will be made to the Advisory Board Committee to approve the consent agenda as presented.

The next Advisory Board Finance and Credit Committee meeting will be held Wednesday, August 16, 2023.

Being no further Bank of North Dakota business, Chairman Foster adjourned the nonconfidential portion of the meeting at 2:45 p.m.

Sara Schumacher, Executive Assistant

**BANK OF NORTH DAKOTA
ADVISORY BOARD TELECONFERENCE
NON-CONFIDENTIAL MINUTES
Thursday, June 14, 2023 – 8:30 a.m. CT**

**MEMBERS PRESENT
VIA PHONE:**

Karl Bollingberg, Chairman
Dennis Johnson, Vice Chairman
Pat Clement
Christie Obenauer
Jean Voorhees
Bill Price
Brenda Foster

ALSO PRESENT:

Todd Steinwand, BND
Sarah Jangula, BND
Angie Duchsherer, BND
Rob Pfennig, BND
Alison Anderson, BND
Kirby Evanger, BND
Lori Leingang, BND
Christy Steffenhagen, BND
Kelvin Hullet, BND
Craig Hanson, BND
Karen Tyler, Industrial Commission

Chairman Bollingberg called the meeting to order at 8:30 a.m.

Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 8:30 a.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 8:30 a.m. and was attended by Karl Bollingberg, Dennis Johnson, Pat Clement, Christie Obenauer, Jean Voorhees, Bill Price, Brenda Foster Todd Steinwand, Sarah Jangula, Angie Duchsherer, Rob Pfennig, Kirby Evanger, Lori Leingang, Christy Steffenhagen, Kelvin Hullet, Craig Hanson, Karen Tyler

The following items were considered during Executive Session:

- Recommendation of Loan Applications to the Bank of North Dakota
- Finance and Credit Committee Reports Recap
- Confidential Finance and Credit Committee Minutes (May 17, 2023)
- Confidential Advisory Board Minutes (May 18, 2023)
- Confidential Investment Committee Minutes (May 03, 10, 15, 17, 24, 31, 2023)

The Executive Session adjourned at 8:40 a.m.

Chairman Bollingberg reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

- A motion was made by Ms. Obenauer to approve the application 1 as presented. Seconded by Mr. Price. Members Bollingberg, Johnson, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.
- A motion was made by Mr. Johnson to approve the consent agenda as presented. Seconded by Ms. Foster. Members Bollingberg, Johnson, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

NONCONFIDENTIAL ADVISORY BOARD MINUTES
Thursday, June 15, 2023

Brenda Foster provided a Finance and Credit Committee Reports Recap.

Consent Agenda:

- Nonconfidential Finance and Credit Committee Minutes (May 17, 2023)
- Nonconfidential Leadership Development and Compensation Committee Minutes (May 18, 2023)
- Nonconfidential Advisory Board Minutes (May 18, 2023)
- Nonconfidential Investment Committee Minutes (May 03, 10, 15, 17, 24, 31, 2023)

A motion was made by Ms. Clement to approve the consent agenda as presented. Seconded by Ms. Voorhees. Members Bollingberg, Johnson Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

BND Advisory Board Members presented a report of activity in their region of ND.

BND Executive Team provided services area updates.

An Advisory Board Discussion was held.

The next Advisory Board meetings will be held:

- Finance and Credit Committee Meeting – Wednesday, July 19, 2023, 1:00 p.m., Teleconference
- Audit and Risk Committee Meeting – Thursday, July 27, 2023, 10:00 a.m., 3rd Floor Missouri River Room 301
- Group Advisory Board Meeting – Thursday, July 27, 2023, 1:00 p.m. 3rd Floor Missouri River Room 301

Being no further Bank of North Dakota business, Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 10:40 a.m.

Sarah Jangula, Executive Assistant

**BANK OF NORTH DAKOTA
ADVISORY BOARD MEETING
NONCONFIDENTIAL MINUTES
Thursday, July 27, 2023 – 1:00 p.m. CT**

MEMBERS PRESENT: Karl Bollingberg, Chairman
Dennis Johnson
Pat Clement
Jean Voorhees
Christie Obenauer
Bill Price
Brenda Foster

ALSO PRESENT: Todd Steinwand, BND
Sara Schumacher, BND
Angie Duchsherer, BND
Rob Pfennig, BND
Alison Anderson, BND
Kirby Evanger, BND
Lori Leingang, BND
Kelvin Hullet, BND
Craig Hanson, BND
Jenni Lang, BND
Kris Ahmann, BND

**ALSO PRESENT
VIA PHONE:** Karen Tyler, Industrial Commission

Chairman Bollingberg called the meeting to order at 1:00 p.m.

Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 1:00 p.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35, 44-04-27 & 44-04-24 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 1:00 p.m. and was attended by Karl Bollingberg, Dennis Johnson, Pat Clement, Jean Voorhees, Christie Obenauer, Bill Price, Brenda Foster, Todd Steinwand, Sara Schumacher, Angie Duchsherer, Rob Pfennig, Alison Anderson, Kirby Evanger, Lori Leingang, Kelvin Hullet, Craig Hanson, Jenni Lang, Karen Tyler

The following items were considered during Executive Session:

- Loan Applications to the Bank of North Dakota
- Consent Agenda (see Finance and Credit Committee agenda)
- Finance and Credit Committee Reports Recap
- Audit and Risk Management Committee Reports Recap
- Second Quarter 2023 Suspicious Activity Report
- Confidential Finance and Credit Committee Minutes (June 14, 2023)
- Confidential Advisory Board Minutes (June 15, 2023)
- Confidential Investment Committee Minutes (June 07, 14, 21, 28, 2023)

The Executive Session adjourned at 1:45 p.m.

Chairman Bollingberg reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

NONCONFIDENTIAL ADVISORY BOARD MEETING MINUTES

Thursday, July 27, 2023

- A motion was made by Ms. Obenauer to approve the application 1 as presented. Seconded by Ms. Forster. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.
- A motion was made by Ms. Clement to approve the Finance and Credit Committee items as presented. Seconded by Ms. Voorhees. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.
- A motion was made by Mr. Johnson to approve the consent agenda as presented. Seconded by Ms. Clement. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.

Finance and Credit Committee made a recommendation to approve the following:

- Amendments to General Loan Policy (Legislative Changes)
- Consent Agenda (see Finance and Credit Committee agenda)

A motion was made by Ms. Obenauer to approve the items as presented. Seconded by Mr. Price. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.

Brenda Foster provided a Finance and Credit Committee Reports Recap.

- BND's Executive Team presented the Second Quarter 2023 Performance Highlights.

Audit and Risk Management Committee made a recommendation to approve the following:

- Acceptance of Risk Memo
- Second Quarter 2023 External Compliance Consulting Report
- Consent Agenda (see Audit and Risk Management Committee agenda)

A motion was made by Ms. Foster to approve the items as presented. Seconded by Mr. Price. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.

Pat Clement provided an Audit and Risk Management Committee Reports Recap.

Kris Ahmann provided an Economic Forecasting Update.

BND Advisory Board Members presented a report of activity in their region of ND.

BND Executive Members had no Service Area Updates.

Consent Agenda:

- Nonconfidential Finance and Credit Committee Minutes (June 14, 2023)
- Nonconfidential Advisory Board Minutes (June 15, 2023)
- Nonconfidential Investment Committee Minutes (June 07, 14, 21, 28, 2023)

A motion was made by Ms. Foster to approve the consent agenda as presented. Seconded by Ms. Voorhees. Members Bollingberg, Johnson, Clement, Voorhees, Obenauer, Price, Foster voted aye. Motion carried.

An Advisory Board Discussion was held.

- Discussed joint Industrial Commission Meeting topics and agenda.

The next Advisory Board meetings will be held:

- Finance and Credit Committee Meeting – Wednesday, August 16, 2023, 1:00 p.m., Teleconference
- Leadership Development and Compensation Committee Meeting – Thursday, August 17, 2023, 8:30 a.m., Teleconference
- Group Advisory Meeting – Thursday, August 17, 2023, 10:00 a.m., Teleconference

NONCONFIDENTIAL ADVISORY BOARD MEETING MINUTES

Thursday, July 27, 2023

Being no further Bank of North Dakota business, Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 4:55 p.m.

Sara Schumacher, Executive Assistant

**BANK OF NORTH DAKOTA
AUDIT AND RISK MANAGEMENT TELECONFERENCE
NONCONFIDENTIAL MINUTES
Thursday, July 27, 2023 – 10:00 a.m. CT**

MEMBERS PRESENT: Pat Clement, Chairman
Dennis Johnson
Jean Voorhees

ALSO PRESENT: Sara Schumacher, BND
Angie Duchsherer, BND
Alison Anderson, BND
Christy Steffenhagen, BND
Jennifer Bickel, BND
Jenni Lang, BND
Nick Leintz, BND
James Barnhardt, BND

Chairman Clement called the meeting to order at 10:00 a.m.

Chairman Clement adjourned the nonconfidential portion of the meeting at 10:00 a.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35 & 44-04-27 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

The Executive Session began at 10:00 a.m. and was attended by Pat Clement, Dennis Johnson, Jean Voorhees, Sara Schumacher, Angie Duchsherer, Alison Anderson, Christy Steffenhagen, Nick Leintz, Jenni Lang

The following items were considered during Executive Session:

- Second Quarter 2023 Outstanding Internal/External Audit Items
- Second Quarter 2023 Outstanding Internal/External Compliance Items
- Positive FinCen Match

The Executive Session adjourned at 10:20 a.m.

Chairman Clement reconvened the Nonconfidential portion of the meeting.

Jennifer Bickel presented the following item for recommendation:

- Acceptance of Risk – Outstanding Compliance Issue # 5

Jenni Lang presented the following item for recommendation:

- Second Quarter 2023 External Compliance Consulting Report

Jenni Lang presented the following items for review and discussion:

- Second Quarter 2023 Credit Review Report

Nick Leintz presented the following item for review and discussion:

- Second Quarter 2023 Outstanding Internal/External Audit Items

James Barnhardt presented the following item for review and discussion:

- College SAVE Audit Report – December 31, 2022

NONCONFIDENTIAL AUDIT AND RISK MANAGEMENT MINUTES
Thursday, July 27, 2023

Audit Committee Consent Agenda:

- Social Media Audit
- Second Quarter 2023 Internal Audit Status Report
- Credit Review Audit

A recommendation will be made to the Advisory Board Committee to approve the Audit Committee Consent Agenda as presented.

A Risk Management, Quality Assurance Providers – Credit Review discussion was held.

The next Advisory Board Audit and Risk Management meeting will be held Thursday, October 19, 2023.

Being no further Bank of North Dakota business, Chairman Clement adjourned the nonconfidential portion of the meeting at 12:00 p.m.

Sara Schumacher, Administrative Assistant

October 4, 2023

To: North Dakota Industrial Commission

From: David Flohr, Executive Director

RE: 2023 Emergency Solutions Grant and the North Dakota Homeless Grant Awards

During the 68th Legislative Assembly, the administrative authority for the federal Emergency Solutions Grant (ESG) and the state North Dakota Homeless Grant (NDHG) was transferred to North Dakota Housing Finance Agency (NDHFA) from the North Dakota Department of Commerce Division of Community Services. NDHFA accepted applications for funding on June 22, 2023, and by mid-August, all agencies that were selected for funding received a financial award.

Emergency Solutions Grant

The Emergency Solutions Grant program is authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general-purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for people experiencing homelessness, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters, street outreach people experiencing homelessness, and for homelessness prevention and rapid re-housing assistance. HUD limits expenditures on emergency shelter, street outreach, and essential services related to emergency shelter to 60 percent of the grant award.

Emergency Solutions Grant activities are categorized by component. A HUD quick reference is attached for more details on eligible activities.

North Dakota received an allocation of \$486,494 and provided \$120,000 state emergency solutions grant match for a total allocation of \$606,494. HUD allows 7.5% (ND-\$36,487.05) of the federal allocation to be used for administration. A total of 24 applications were received requesting \$2,032,335 in funding. Nine agencies were selected and awarded a total of \$570,006.95. A list of the funded applications is attached.

North Dakota Homeless Grant (NDHG)

NDHFA was allocated a total of \$2.5 million for the biennium. A total of \$1.25 million was made available for the first year. NDHG is administered similar to the Emergency Solutions Grant with the same eligible activities and uses minus some of the federal administrative requirements. In an attempt to build homeless provider capacity, NDHFA does require all NDHG awardees to utilize coordinated entry and the homeless management information system (HMIS) reporting software.

For the application round a total of 23 applications were received, requesting \$2,825,388 in funding. NDHFA awarded 22 applications and funded \$1.25 million. A list of the applications funded is attached.

Application Selection Process

Applications for both Emergency Solutions Grant and NDHG are ranked and scored based on application selection criteria outlined in the applicable allocation plan. NDHFA kept the Department of Commerce's scoring criteria for the first year. A total of 100 points was available.

Eligible applicants must be able to demonstrate prior experience serving individuals and households at risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.

Scoring Criteria

1. Demonstrated the need for funding. (30 pts)
2. Plan for distribution of the funds in an effective, efficient, and timely manner. (15 pts)
3. Collaboration efforts with other targeted homeless services and mainstream resources. (20 pts)
4. Active participation in and providing services consistent with the needs identified by the North Dakota Continuum of Care, HMIS and Coordinated Entry System. (20 pts)
5. The applicant's plan to involve, to the maximum extent practicable, individuals and families experiencing homelessness in constructing, renovating, maintaining, and operating facilities assisted under the grant, and in providing services for occupants of these facilities. (5 pts)
6. The applicant included how the Housing First model is used within the agency. (10 pts)



Emergency Solutions Grants (ESG) Program Components Quick Reference

Emergency Solutions Grants (ESG) funds can be used to provide a wide range of services and supports under the five program **components**: Street Outreach, Emergency Shelter, Rapid Re-housing, Homelessness Prevention, and HMIS. Each component is described in the tables below, accompanied by a list of corresponding ESG activities and eligible costs. Note: Administration is not a component, it is considered an activity.* **Always refer to the program regulations at 24 CFR Part 576 for complete information about all eligible costs and program requirements.**

Component: Street Outreach. These activities are designed to meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services. § 576.101	
Activity type: Essential Services	
<u>Eligible costs:</u>	
<ul style="list-style-type: none"> • Engagement • Case Management • Emergency Health Services 	<ul style="list-style-type: none"> • Emergency Mental Health Services • Transportation • Services for Special Populations

Component: Emergency Shelter. These activities are designed to increase the quantity and quality of temporary shelters provided to homeless people, through the renovation of existing shelters or conversion of buildings to shelters, paying for the operating costs of shelters, and providing essential services. § 576.102			
Activity types:			
Essential Services	Renovation (also includes Major Rehab and Conversion)	Shelter Operations	Assistance Required Under the Uniform Relocation and Real Property Acquisition Act of 1970 (URA)
<u>Eligible costs:</u> <ul style="list-style-type: none"> • Case management • Child Care • Education Services • Employment Assistance and Job Training • Outpatient Health Services • Legal Services • Life Skills Training • Mental Health Services • Substance Abuse Treatment Services • Transportation • Services for Special Populations 	<u>Eligible costs:</u> <ul style="list-style-type: none"> • Labor • Materials • Tools • Other costs for renovation (including rehab or conversion) 	<u>Eligible costs:</u> <ul style="list-style-type: none"> • Maintenance • Rent • Security • Fuel • Equipment • Insurance • Utilities • Food • Furnishings • Supplies necessary for shelter operation • Hotel/Motel Vouchers 	<u>Eligible costs:</u> <ul style="list-style-type: none"> • Relocation payments • Other assistance to displaced persons

Component: Rapid Re-Housing. These activities are designed to move homeless people quickly to permanent housing through housing relocation and stabilization services and short- and/or medium-term rental assistance. § 576.104

Activity types:

Rental Assistance**	Housing Relocation and Stabilization Services	
	Financial Assistance	Services Costs
<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> • Short-term rental assistance • Medium-term rental assistance • Rental arrears <p>**Rental assistance can be project-based or tenant-based.</p>	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> • Rental Application Fees • Security Deposits • Last Month’s Rent • Utility Deposits • Utility Payments • Moving Costs 	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> • Housing Search and Placement • Housing Stability Case Management • Mediation • Legal Services • Credit Repair

Component: Homelessness Prevention. These activities are designed to prevent an individual or family from moving into an emergency shelter or living in a public or private place not meant for human through housing relocation and stabilization services and short- and/or medium-term rental assistance. § 576.103

Activity types:

Rental Assistance**	Housing Relocation and Stabilization Services	
	Financial Assistance	Services Costs
<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> • Short-term rental assistance • Medium-term rental assistance • Rental arrears <p>**Rental assistance can be project-based or tenant-based.</p>	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> • Rental Application Fees • Security Deposits • Last Month’s Rent • Utility Deposits • Utility Payments • Moving Costs 	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> • Housing Search and Placement • Housing Stability Case Management • Mediation • Legal Services • Credit Repair

HMIS Component. These activities are designed to fund ESG recipients’ and subrecipients’ participation in the HMIS collection and analyses of data on individuals and families who are homeless and at-risk of homelessness. § 576.107

Activity type: HMIS

Eligible costs:

- Contributing data to the HMIS designated by the CoC for the area;
- HMIS Lead (as designated by the CoC) costs for managing the HMIS system;
- Victim services or legal services provider costs to establish and operate a comparable database.

***Administrative Activities. § 576.108**

Eligible costs are broadly categorized as follows:

- General management, oversight, and coordination
- Training on ESG requirements
- Consolidated Plan
- Environmental review

Emergency Solutions Grant and North Dakota Homeless Grant List of Awards

2023 Emergency Solutions Grant Awards											
Applicant Organization	City	SHELTER ACTIVITIES			Street Outreach	Rapid Re-Housing		HOMELESS PREVENTION		TOTAL	
		Renovation	Operations	Essential Services		Relocation Stability	Rent Assistance	Relocation/Stability	Rent Assistance	HMIS	Total
Institute for Community Alliances ICA- HMIS Lead	HMIS Lead-Statewide									50,000.00	50,000.00
Presentation Partners in Housing-Fargo	Fargo								100,000.00		100,000.00
YWCA Cass Clay-Fargo	Fargo		76,000.00								76,000.00
Community Violence Intervention Center CVIC-Grand Forks	Grand Forks		12,279.00	42,921.00							55,200.00
Mountain Plains Youth Services- Youthworks Bismarck/Fargo	Bismarck		77,756.00								77,756.00
Southeastern ND Community Action Agency SENDCAA-Fargo	Fargo/Cass County					10,000.00	10,000.00	15,000.00	15,000.00	1,450.00	51,450.00
Domestic Violence Rape and Crisis Center DVRCC-Dickinson	Dickinson		54,861.00								54,861.00
Salvation Army-Bismarck	Bismarck					10,000.00	10,000.00	7,500.00	22,500.00		50,000.00
United Way-Grand Forks	Grand Forks					53,739.95				1,000.00	54,739.95
Totals		0.00	220,896.00	42,921.00	0.00	73,739.95	20,000.00	22,500.00	137,500.00	52,450.00	570,006.95

North Dakota Homeless Grant Awards											
Applicant Organization	City	SHELTER ACTIVITIES			Street Outreach	Rapid Re-Housing		HOMELESS PREVENTION		Funded	
		Renovation	Operations	Essential Services		Relocation Stability	Rent Assistance	Relocation/Stability	Rent Assistance	HMIS	Funded
ICA	HMIS Lead-Statewide								100,000.00	100,000.00	
Presentation Partners in Housing	Fargo								50,000.00	50,000.00	
YWCA Cass Clay	Fargo		50,000.00							50,000.00	
ESG Matching Funds	Statewide									120,000.00	
Gladys Ray Shelter	Fargo		25,500.00		24,500.00					50,000.00	
YouthWorks	Bismarck			50,000.00						50,000.00	
Community Violence Intervention Center	Grand Forks		50,000.00							50,000.00	
Abused Adult Resource Center	Bismarck		25,000.00				5,000.00	5,000.00	15,000.00	50,000.00	
Southeastern North Dakota Community Action Agency	Fargo						25,000.00	25,000.00		50,000.00	
The Salvation Army Bismarck	Bismarck						20,000.00	30,000.00		50,000.00	
Red River Valley Community Action	Grand Forks						15,000.00	35,000.00		50,000.00	
United Way of Grand Forks East Grand Forks & Area	Grand Forks		50,000.00							50,000.00	
Fraser LTD	Fargo		54,928.00							54,928.00	
New Life Center	Fargo		45,000.00	15,000.00					2,139.00	62,139.00	
Northlands Rescue Mission	Grand Forks		82,719.00							82,719.00	
Project Bee	Minot	5,000.00	33,569.00	10,000.00	10,000.00				5,000.00	63,569.00	
AID, Incorporated	Mandan							61,300.00		61,300.00	
Minots Area Men's Winter Refuge	Minot		20,000.00	9,215.00					1,000.00	30,215.00	
Missouri Slope Areawide United Way	Bismarck		50,000.00	15,000.00			5,554.00			70,554.00	
The Salvation Army Grand Forks	Grand Forks						14,788.00	14,788.00		29,576.00	
The Salvation Army Service Extension	Ramsey						10,000.00	15,000.00		25,000.00	
Amachi Mentoring	Devils Lake		25,000.00							25,000.00	
Safe Alternatives for Abused Families	Devils Lake		18,000.00	7,000.00						25,000.00	
Totals		5,000.00	529,716.00	106,215.00	34,500.00	-	95,342.00	-	236,088.00	123,139.00	1,250,000.00

HOME MORTGAGE FINANCE PROGRAM BONDS

Bond Sale Information

				MRB Series 2023D	Taxable Series 2023E
Bonds Issued				125,000,000.00	75,000,000.00
Bond Premium				3,291,197.00	819,407.50
Prior Bond Redemption				-	-
Debt Service Reserve				(3,750,000)	(2,250,000)
Proceeds Account				124,541,197	73,569,408
Cost of Issuance & Underwriters Discount (Agency)				1,108,143	667,780
Total Amount in Loans		Avg Loan Amt	204,184	288,829	
Estimated Number of Loans				595	255
Mortgage Loan Interest Rate Plans					
(Rates adjusted daily) (1% Orig. Fee & 1/2 Point)	30 Year Fixed (Presently)	Government	6.250%	1.5 Points	6.850%
		Conventiona	6.500%	1.5 Points	7.100%
Eligible Loans:					
FHA Insured		VA Guaranteed		Conventional Insured	
USDA RD RHS Guaranteed				Uninsured	
Home Sales Price Limits				(One Unit)	
All Counties				481,176	
<i>Higher Limits applicable to 2 - 4 Unit Residences</i>					
Borrower Income Limits:		100,400	to	126,040	Conventional
(Limits vary by county and household size)					726,200
				FHA	472,030
				VA	726,200
Underwriters Discount Components:				\$/\$M Bonds	
Management				0.75	
Expense				0.78	
Take-Down				9.02	
TOTAL				10.56	
Miscellaneous :					
Annual (Basis Points on Loans Outstanding)				20	20

North Dakota Transmission Authority BIL 40101(d) Proposal Instructions

Background

As part of the Bipartisan Infrastructure Law – Section 40101(d), the U.S. Department of Energy’s (DOE’s) Grid Development Office has allocated funds to the State of North Dakota, through the North Dakota Transmission Authority (NTDA). NTDA is seeking to fund grid modernization projects that result in a more resilient electrical grid and promote a clean and equitable energy economy in North Dakota. Special attention will be given to disadvantaged, vulnerable, and underserved communities, as designated by the Justice40 Initiative and other U.S. government directives. NTDA has identified the following objectives and associated metrics for evaluating proposed projects.

Objective 1: Reduce the magnitude and duration of grid outages caused by major disruptive storm and nonstorm events.

Metrics

- Magnitude of interruptions to the critical customers (for storm and nonstorm events, separately)
- Length of time for restoration/recovery after extended outages
- Number of personnel trained to manage the resilience project once it is finished

Objective 2: Reduce the frequency and impacts of grid outages caused by major disruptive storm and nonstorm events.

Metrics

- Frequency of interruptions to critical customers
- Qualitative assessment of the physical durability of the grid (how much the grid can withstand: both initial and frequent disruptions of 1 hour or more)
- Qualitative assessment of the grid operational flexibility (how adaptable the grid is in terms of damage)
- Restoration/recovery times after frequent outages of 1 hour or more

Objective 3: Implement grid modernization projects to develop energy solutions that provide lower-cost energy access to disadvantaged or underserved communities, and promote energy sufficiency and energy justice in these communities while providing clean energy in alignment with the Biden Administration’s Justice40 Initiative. Renewable energy (RE) and distributed energy resources (DERs) that are installed and managed locally give disadvantaged communities the opportunity to meet the energy needs of their community, take control of their energy resources, and enjoy the long-term environmental and economic advantages of these resources. These initiatives not only offer a source of clean, local, renewable energy but also reduce energy costs, generating savings that can be reinvested into the community.

Metrics

- The number and type of RE/DER installations under grid modernization initiatives
- The financial impact to households as a result of avoided outages
- The number of workforce development programs developed for the disadvantaged/underserved communities
- The number of energy businesses/jobs created for the disadvantaged/underserved communities from new RE/DER installations

Since many projects are often initiated based on the number of people affected, the rural areas of the state can sometimes be ignored and not be treated equitably. Although not specifically addressed in the Justice40 criteria, this aspect must be considered when funding decisions are made. Diversity, equity, inclusion, and accessibility (DEIA) must also be focused on when proposed projects are examined. Justice40, rural impact, and DEIA will all be looked at when a proposed project's potential impact on the three stated objectives is assessed.

Eligible Entities

- Electric grid operator
- Electricity storage operator
- Electricity generator
- Transmission owner or operator
- Distribution provider
- Fuel supplier
- Any other relevant entity (as determined by the secretary of DOE)

Eligible Projects

- Adaptive protection technologies
- Advanced modeling technologies
- Fire-resistant technologies and fire prevention systems
- Hardening of power lines, facilities, substations, or other systems
- Monitoring and control technologies
- Relocation of power lines or reconductoring of power lines with low-sag, advanced conductors
- Replacement of old overhead conductors and underground cables
- Undergrounding of electrical equipment
- Use or construction of DERs for enhancing system adaptive capacity during disruptive events, including microgrids and battery-storage subcomponents
- Utility pole management
- Vegetation and fuel-load management
- Weatherization technologies and equipment

Ineligible Projects

- Construction of a new electric generating facility
- Large-scale battery storage facilities not being used to supply electricity where needed during disruptive events
- Cybersecurity measures

Cost Match Requirements

Recipients must provide cost match based on the size of the utility.

Cost Match Requirements	
Utility selling >4,000,000 MWh annually	100% of award value
Utility selling ≤4,000,000 MWh annually	1/3 of award value

Reporting Requirements

If awarded, the applicant will be required to provide the following:

- Quarterly progress report due 15 days after the end of the quarter in provided progress report form template.
- Annual report on project progress that highlights the appropriate metrics for the project for 5 years from the implementation of the project or until the project is completed. Due 15 days after the end of the reporting year (October 1 – September 30).

Compliance Requirements

Since federal funds are being utilized for these projects, subaward recipients must comply with several national security, environmental, and labor requirements.

Research, Technology, and Economic Security (RTES)

The recipient will be required to provide information related to Build America/Buy America (BABA), foreign national participation, and foreign ownership. This information will be used by DOE to analyze risks to national security. The recipient must ensure that BABA requirements flow down to subcontractors. When necessary, the recipient may be granted a waiver from the BABA requirements.

National Environmental Policy Act (NEPA)

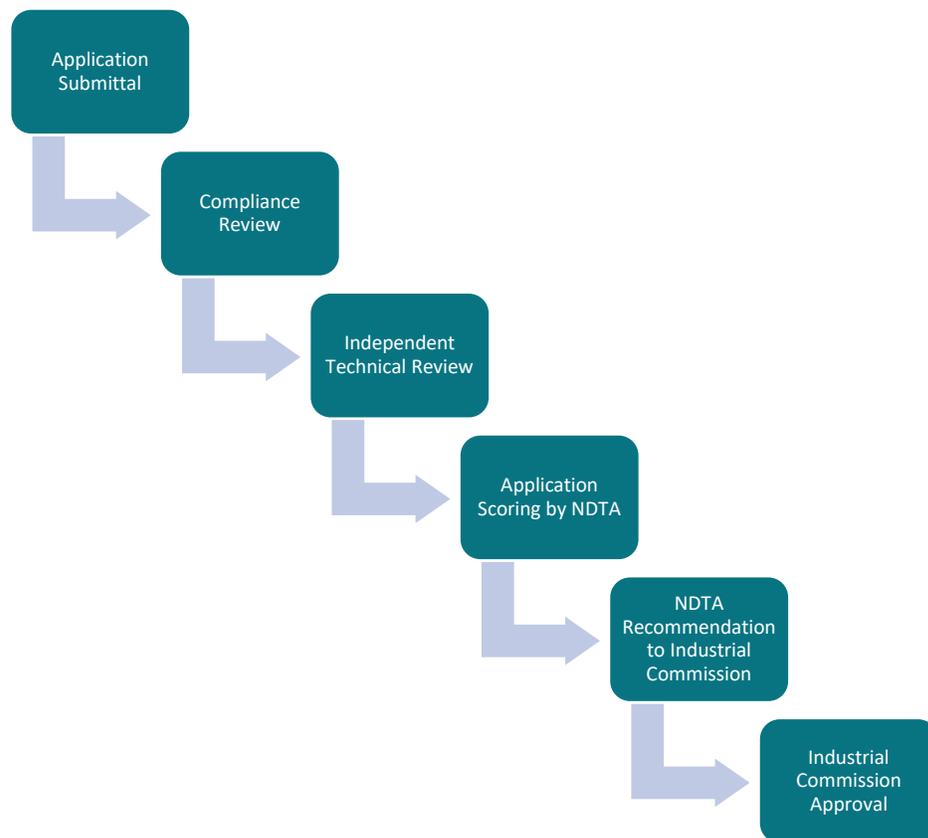
Recipients must go through a NEPA review and approval process. The NEPA compliance officer will make a categorical exclusion determination based on the environmental questionnaire provided by the recipient.

Davis–Bacon Act (DBA)

All laborers paid by DOE funds made available under this award shall be paid wages at rates not less than those prevailing on similar projects in the locality, as determined by the DBA. The recipient must ensure that DBA requirements flow down to all subcontractors.

Review Criteria

The project proposals will go through a compliance review. Following the compliance review, the proposed projects will go through an independent technical review. The director of NDTA will then score applications based on the review criteria, which will inform a recommendation to the North Dakota Industrial Commission (NDIC). NDIC will have final project approval.



Proposed projects will be reviewed based on the following criteria.

1. Applicants should clearly identify how the project will address each of the three NDTA objectives.
2. Level of risk mitigation: Applicants should highlight, based on stated objectives, how their project will reduce the frequency and/or the magnitude/duration of grid outages. Based on the level of risk mitigation and the customer base of the applicant, a benefit ratio will be determined in an attempt to normalize and compare applications.

3. Facilities and equipment: Applicants should demonstrate sufficient resources, facilities, and equipment to complete the project.
4. Amount of cost match proposed: Applicants must propose at least the minimum required cost match. Applicants that propose cost match more than the minimum will receive additional consideration.
5. Estimated number of jobs created: Applicants should attempt to quantify temporary (and permanent) job creation as part of their proposed projects in their application.
6. Project cost: Proposed project cost will be a component of application screening. In addition to total project costs, the committee will evaluate the potential to partially fund projects to distribute available funds more broadly.
7. Expertise: The background and experience of the project principals with regard to technical qualification.
8. Least significant negative environmental impacts: The reviewers will perform a high-level evaluation of the environmental impacts associated with the project to identify significant concerns to be addressed.

Submit proposals electronically to Claire.Vigesaa@NDTransmissionAuthority.com.

Questions can be addressed to Claire Vigesaa (406)-489-3881.

North Dakota Transmission
Authority

North Dakota Industrial Commission

BIL 40101(d) Application

Project Title:

Applicant:

Date of Application:

Amount of Grant Request:

Total Amount of Proposed Project:

Duration of Project:

Point of Contact (POC):

POC Telephone:

POC Email:

POC Address:

TABLE OF CONTENTS

Please use this table to fill in the correct corresponding page number.

Applicant Description	
Project Description	
Standards of Success	
Project Timeline	
Project Budget	

Applicant Description

Provide a description of the applicant (i.e., type of entity, corporate structure, MWh sold annually, etc.).

Project Description

Provide a description of the project with enough detail to allow the reviewers to adequately evaluate the project.

Standards of Success

Provide a description of how the proposed project will fulfill any or all of the program objectives.

Project Timeline

Provide a project timeline including anticipated start date, significant project milestones, and anticipated project completion date or project duration.

Project Budget

Provide a total project budget, clearly describing the amount of funding requested from NDTA.

Applicant Description

Project Description

Standards of Success

Project Timeline

Project Budget



INDUSTRIAL COMMISSION OF NORTH DAKOTA
NORTH DAKOTA PIPELINE AUTHORITY

Governor
Doug Burgum
Attorney General
Drew H. Wrigley
Agriculture Commissioner
Doug Goehring

October 4, 2023 **DRAFT**

The Honorable Willie L. Phillips
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: Northern Border Pipeline Company Bison XPress Project, Docket CP23-544

Dear Chairman Phillips:

The purpose of this letter is to express our support of the Northern Border Pipeline Company Bison XPress Project (Project). The Project will add much needed gas transmission capacity in the U.S. Williston Basin, support regional gas capture infrastructure expansions, and limit the requirement for gas flaring. The interests of shippers, royalty owners, gas processors, producers, and the State of North Dakota will be supported through the incremental transmission capacity provided by the Project.

Thanks to the Bakken and Three Forks formations in the Williston Basin, the State of North Dakota is currently the third largest producer of crude oil in the United States. Natural gas produced in association with crude oil has continued to grow at a faster rate than oil production through naturally occurring increases in the gas-oil ratio. North Dakota has been setting new production records nearly every month, with current natural gas production at more than 3.28 billion cubic feet per day.

In the U.S. Energy Information Administration (EIA) *Annual Energy Outlook 2023*, the “reference” case oil production forecast has the Northern Great Plains Region (i.e. U.S. Williston Basin) growing from 1.11 million BOPD in 2022 to more than 1.80 million BOPD in the year 2050. To facilitate the level of predicted oil production forecast by the EIA, while accounting for continued natural increases in gas-oil ratios, the region will need to significantly expand its natural gas transmission systems to maximize gas capture and minimize flaring.

The North Dakota Industrial Commission, acting as the North Dakota Pipeline Authority, respectfully recommends the timely and favorable consideration of the Northern Border Pipeline Company Bison XPress Project application. A timely approval will support critical energy expansion, enhance reliability, and aid in reducing emissions for our great state and nation.

Sincerely,

Doug Burgum, Chairman
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner



North Dakota State Mill & Elevator Strategic Plan FY 2024

Our Mission:

The mission of the North Dakota Mill & Elevator is to:

- Promote and provide support to North Dakota agriculture, commerce, and industry.
- Provide superior quality, consistency, and service to our customers.
- Grow the business and provide a profit to our owners – the citizens of North Dakota.
- Conduct our business with the highest integrity so that our employees, customers, suppliers, and owners are proud to be associated with the North Dakota Mill & Elevator.





Our Leadership Team

Vance Taylor, President and CEO
Cathy Dub, Chief Financial Officer
Russ Bischof, Vice President Sales
Brent Massmann, Vice President Transportation
Peder Skjoiten, Vice President Grain Procurement
Dan Boe, Vice President Quality Assurance & Tech Services
Dillon Janousek, Vice President Production Operations

Our Strategic Plan

Key Objective 1: Promote and Support North Dakota Agriculture, Commerce, and Industry

Key Objective 2: Identify and Respond to Emerging Issues in the Flour Milling Industry

Key Objective 3: Maximize Profit Potential

Key Objective 4: Grow our Customer Base

Key Objective 5: Invest in and Protect our Employees



Accomplishments for FY 23

1. Purchased 35,358,332 bushels of wheat from regional farmers and elevators, which was delivered by 33,070 trucks and 688 railcars.
2. Shipped 15,931,052 cwts. of flour to customers.
3. Earned gross revenues of \$532 million.
4. Achieved profits of \$17.2 million.
5. Passed our FSSC 22000 Surveillance Audit.
6. Generated an economic impact of \$1,389,800,000 to the Greater Grand Forks area.



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