

SALTED LANDS COUNCIL

February 7, 2023

Salt Contaminated Land and Water Council Opposes HOUSE Bill 1286

We oppose the repeal of the Extraction Tax Trigger which will mean that ND surface owners and taxpayers will bear the \$8,167,458,789 burden of eventually plugging and reclaiming the 30,495 wells drilled since 1970.

We rely upon Carbon Tracker's Flash Note dated 12/10/2021 entitled and here present one of its tables.
North Dakota P&A cost data is bad news for the taxpayers in oil-producing states.

<https://cogcc.state.co.us/DAD.html>

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and then release the minerals and produce more Beer, Bread, and Beef.

	WELLS	Liability Estimate	%
Producing	12,957	\$3,745,190,641	46%
Stripper	5,009	\$1,174,492,632	14%
Injection + Other	11,703	\$3,056,601,700	37%
Temp. Abandoned	322	\$80,036,489	1%
Zombie (LP<60)	504	\$110,137,327	1%
TOTAL	30,495	\$8,166,458,789	100%

Carbon Tracker analyzed 251 DMR records of condemned, 251 plugged, and 151 reclaimed wells and made the above **Liability Estimates**. Closer analysis Carbon Tracker's Flash Note supports our conclusion all the Stripper wells and most of the Injection, all the Temp. Abandoned and all of Zombie are properly described as abandoned because they are uneconomic, inadequately bonded and none of the operators of these wells, from first to most recent have held back funds to meet the statutory obligation called Asset Retirement. Do a hog house amendment of your law. Provide that all future trigger taxes are provided to the DMR and DEQ to plug and reclaim the 10,000 orphan wells. We trust them. They learned from the expenditure of \$66 million of President Trump Cares Act Funds which funded discovery of orphans.

We agree with ND DEQ Director of Reclamation, Karl Rockeman, the amount now needed to reclaim abandoned wells is at least \$2,500,000,000. We agree with DMR Director Lynn Helms that \$2,500,000,000 will be needed to plug abandoned wells. We cannot rely upon Federal cares act funds. The \$66 million is less than 1% of **\$8,167,458,789**. Existing ND law does not appropriate any portion oil production or extraction tax to plug bore holes or reclaim well sites.

Second, North Dakota has sacrificed its productive soil and breached its stewardship obligation.

Now is the time to invest in our land and our people. When the next trigger tax is paid, devote all to the care of the able staff at our DEQ and DMR. Utilizing the advances in soil science, big data management, and small-town oil industry well service operators and the sophistication of ND farmers, we can restore soil productivity, create a cadre of able folks who will revive dead soil. We can lead the world in reviving productivity of soil left poisoned burdening surface owners and taxpayers.

Donald Nelson

President & Founder

Fritz L. Dooly

Coordinator

