



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Wayne Stenehjem
Attorney General

Doug Goehring
Agriculture Commissioner

March 9, 2020

The Honorable Tara Sweeney
Assistant Secretary - Indian Affairs
U.S. Department of the Interior
1849 C Street N.W.
Washington, D.C. 20240

Dear Assistant Secretary Sweeney:

The North Dakota Industrial Commission (NDIC), Department of Mineral Resources, Oil and Gas Division has jurisdiction to administer North Dakota's comprehensive oil and gas regulations found at North Dakota Administrative Code Chapter 43-02-03. These regulations include regulation of the drilling, producing, and plugging of wells; the restoration of drilling and production sites; the perforating and chemical treatment of wells, including hydraulic fracturing; the spacing of wells; operations to increase ultimate recovery such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into producing formations; disposal of saltwater and oil field wastes through the Underground Injection Control Program; and all other operations for the production of oil or gas.

The NDIC appreciates this opportunity to provide input regarding the development of oil and gas infrastructure on the Fort Berthold Indian Reservation, North Dakota (FBIR). We respectfully request your assistance in ensuring continued infrastructure development to serve the Mandan, Hidatsa, and Arikara Nation, individual Indian landowners, the oil and gas industry, and the public.

As you are aware, oil and gas development within FBIR has significantly increased applications to the U.S. Department of the Interior, Bureau of Indian Affairs ("BIA") for rights-of-way ("ROW") across Indian trust lands. Timely issuance of ROW allows the construction of pipelines and related facilities to support the transportation of produced minerals, increased gas capture, reduced gas flaring, increased revenue from royalty bearing gas, and reduced truck traffic.

On April 5, 2019, you signed a one-year regulatory waiver (the "Waiver") needed to "keep pace with increased activity, preserve the trust asset, ensure the continuity of production and therefore maintain revenue streams important to the land and mineral owners that benefit from this approach". The Waiver allows BIA to approve a ROW based on negotiated compensation in advance of a completed appraisal being submitted or approved. If the appraised value turns out to be greater than the negotiated amount, the grantee is required to submit an additional payment.

Since issuance of the Waiver, industry and the U.S. Department of the Interior, Appraisal Valuation Services Office ("AVSO") have worked to develop a streamlined Indian trust lands appraisal process. We have been informed that AVSO is in the process of previewing its initial iteration of the revised appraisal process applicable to Indian trust lands. We appreciate the time and energy AVSO has put forth in this

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effort and believe the Waiver should be extended an additional twelve (12) months to April 2021 to allow the AVSO, BIA, and industry to fully implement the newly revised appraisal system.

The NDIC appreciates that regulatory waivers are not the ideal solution and that it would be preferable to find a permanent solution, but the Waiver should be extended until a permanent solution is finalized.

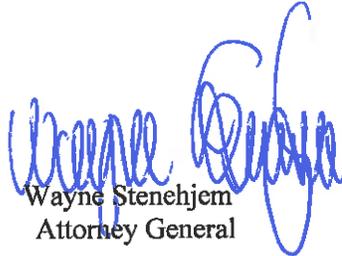
Thank you very much for your support in this matter.

Sincerely,

North Dakota Industrial Commission



Doug Burgum, Chairman
Governor



Wayne Stenehjem
Attorney General



Doug Goehring
Agriculture Commissioner