

Minutes of a Meeting of the Industrial Commission of North Dakota  
Held on December 7, 2018 beginning at 12:30 p.m.  
Governor's Conference Room  
State Capitol

Present: Governor Doug Burgum, Chairman  
Attorney General Wayne Stenehjem  
Agriculture Commissioner Doug Goehring

Also Present: Other attendees are listed on the attendance sheet available in the Commission files  
Members of the Press

Governor Burgum called the Industrial Commission meeting to order at approximately 12:51 p.m., noting that the meeting was delayed due to a Water Commission meeting. The Commission took up Department of Mineral Resources business.

**DEPARTMENT OF MINERAL RESOURCES**

Mr. Lynn Helms, Director, reported on action by the Budget Section regarding the spending of contingency funding and the hiring of additional full-time equivalent positions (2017 Session Senate Bill 2014 Section 7.) Two additional field inspection FTEs were to be authorized if a certain well count was met. The criteria was met on November 5<sup>th</sup>. The Budget Section met on December 5, 2018 and approved the two additional FTEs. The positions will most likely be posted in Williston and Dickinson.

Mr. Helms presented a request to the United States Forest Service (USFS) for a six month extension of the comment period on the Draft Supplemental Environmental Impact Statement for Oil and Gas Leasing on the Dakota Prairie Grasslands and an authorization to submit comments on behalf of the Industrial Commission if the extension request is denied or if the extension is granted but the new deadline is earlier than February 1, 2019 for consideration.

Mr. Helms has spoken with other state agencies, including North Dakota Game & Fish, and North Dakota Parks and Recreation and they will also be requesting a 6 month extension. This request would be consistent with the other state agencies' request.

**It was moved by Attorney General Stenehjem and seconded by Commission Goehring that the Industrial Commission submit the following request to the United States Forest Service for a six month extension of the comment period on the Draft Supplemental Environmental Impact Statement for Oil and Gas Leasing on the Dakota Prairie Grasslands and further authorize Department of Mineral Resources Director Lynn Helms to submit comments on behalf of the Industrial Commission if the extension request is denied or if the extension is granted but the new deadline is earlier than February 1, 2019:**

**Mr. William P. O'Donnell  
Dakota Prairie Grasslands Supervisor  
2000 Miriam Circle  
Bismarck, ND 58501**

**Re: Request for an Extension of the Comment Period for  
Draft Supplemental Environmental Impact Statement for  
Oil and Gas Leasing on the Dakota Prairie Grasslands**

**Dear Mr. O'Donnell:**

**The North Dakota Industrial Commission (NDIC) is requesting a six month extension to the comment period for the Draft Supplemental Environmental Impact Statement for Oil and Gas Leasing on the Dakota Prairie Grasslands due to the following concerns:**

**The potential impacts of the various alternatives are very complex.**

**The State of North Dakota is ranked 2nd in the United States among all states in the production of oil and gas. North Dakota produces approximately 450 million barrels of oil per year and 850 billion cubic feet of natural gas per year. There is the potential for significant adverse impacts on state revenues through prescriptive lease stipulations. Preliminary estimates indicate the Draft Supplemental Environmental Impact Statement for Oil and Gas Leasing could impact as much as 2% of North Dakota's mineral productive area.**

**Of particular concern are large blocks of No Surface Occupancy that could potentially place mineral resources out of reach of current drilling technology or could completely surround and block access to state or fee minerals.**

**In order to provide for better collection of information and evaluation of the potential impacts of the Draft Supplemental Environmental Impact Statement for Oil and Gas Leasing, an additional six months of comment time is needed to provide substantive input and ensure a truly deliberative decision making process.**

**Thank you for your consideration of our request.**

Mr. Helms noted that the request for an extension could be denied. Under this motion, Mr. Helms would be delegated the authority to get comments submitted. Commissioner Goehring noted that Mr. Helms has a good idea of how the Commission feels about the matter. If the timeframe constraints remain in effect, he trusts Mr. Helms to submit analysis on behalf of the Commission.

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

### **OUTDOOR HERITAGE FUND**

Ms. Fine provided the Outdoor Heritage Fund Financial Report, indicating that \$13,087,442.41 is available for funding. (A copy is available in the Commission files.).

Mr. Melchior, OHF Advisory Board Chairman, provided the Commission with a list of the 19 applications that had been received for Grant Round 13 which totaled \$5,703,075. He indicated that the Board, after reviewing the applications and hearing the presentations from the applicants, recommended the following 9 applications totaling \$3,350,164.00 for the Commission's consideration:

1. 13-03 (C) Steele County Water Resources District - Lake Tobiason Improvements, Recommended Amount: \$86,000.00; Total Project Costs: \$172,000.00
2. 13-04 (B) Pheasants Forever - North Central Soil Health & Habitat, Recommended Amount: \$52,500.00; Total Project Costs: \$288,625.00
3. 13-06 (D) Turtle Mountain Band of Chippewa - Sky Chief Park Fishing Dock Project, Recommended Amount: \$74,000.00; Total Project Costs: \$99,096.69

4. 13-08 (A) Tri-Cities JDA - Schatz Point Fishing Pier, Recommended Amount: \$42,500.00; Total Project Costs: \$57,598.00
5. 13-10 (B) Ducks Unlimited - Cover Crop & Livestock Integration Project II, Recommended Amount: \$1,250,790.00 (with conditions); Total Project Costs: \$2,128,173.00
6. 13-11 (C) ND Natural Resources Trust - ND Grassland Restoration Project, Recommended Amount: \$104,500.00 (with conditions); Total Project Costs: \$255,000.00
7. 13-15 (D) City of Dickinson - Crooked Crane Trail Phase 2, Recommended Amount: \$1,200,000.00; Total Project Costs: \$1,600,000.00
8. 13-18 (D) LaMoure Lions - Sunset Park Revitalization Project, Recommended Amount: \$10,000.00; Total Project Costs: \$85,990.00
9. 13-19 (B) Audubon Dakota - Central Coteau Prairie Management Toolbox, Recommended Amount: \$529,874.00 (reduced from \$669,175.00 and with conditions); Total Project Costs: \$1,089,932.00

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission accepts the recommendations of the Outdoor Heritage Fund Advisory Board and approves funding of the following nine projects in the total amount of \$3,350,164.00 and authorizes the Industrial Commission Executive Director and Secretary to enter into contracts with the applicants as noted below:**

- 1. Steele County Water Resources District - Lake Tobiason Improvements, Recommended Amount – \$86,000.00**
- 2. Pheasants Forever - North Central Soil Health & Habitat – \$52,500.00**
- 3. Turtle Mountain Band of Chippewa - Sky Chief Park Fishing Dock Project – \$74,000.00**
- 4. Tri-Cities JDA - Schatz Point Fishing Pier – \$42,500.00**
- 5. Ducks Unlimited - Cover Crop & Livestock Integration Project II – \$1,250,790.00 with the condition that NRCS guidelines are to be followed for boundary fencing.**
- 6. ND Natural Resources Trust - ND Grassland Restoration Project – \$104,500.00 with the condition that the \$4,500 budgeted for cultural reviews cannot be used for staffing but may be used for other activities included in the scope of work.**
- 7. City of Dickinson - Crooked Crane Trail Phase 2 – \$1,200,000.00**
- 8. LaMoure Lions - Sunset Park Revitalization Project – \$10,000.00**
- 9. Audubon Dakota - Central Coteau Prairie Management Toolbox – \$529,874.00 (reduced from \$669,175.00) with the conditions that the applicant will follow NRCS guidelines, particularly in regards to boundary fencing and no OHF funding may be used for invasive species control/removal.**

It was noted that the costs seemed high for the Crooked Crane Trail application. Mr. Melchior stated that the costs were higher, and the trail was concrete because it was located by railroad track. A natural trail would not be able to withstand the water runoff from the track.

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

Mr. Melchior provided the Commission with an Outdoor Heritage Advisory Board recommendation to approve an amendment to Contract #010-116 Planting for the Future: Tree Habitat Program, naming the North Dakota Petroleum Foundation rather than the North Dakota Petroleum Council as the recipient of the funding.

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission accepts the recommendation of the Outdoor Heritage Fund Advisory Board**

**and authorizes the Industrial Commission Executive Director and Secretary to amend Contract #010-116 Planting for the Future: Tree Habitat Program, naming the North Dakota Petroleum Foundation rather than the North Dakota Petroleum Council as the recipient of the funding. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.**

#### **INDUSTRIAL COMMISSION ADMINISTRATION**

**It was moved by Commissioner Goehring and seconded by Attorney General Stenehjem that the Industrial Commission October 25, 2018 non-confidential meeting minutes be approved as distributed. On a roll call vote, Governor Burgum, Attorney General Stenehjem and Commissioner Goehring voted aye. The motion carried unanimously.**

With no further Industrial Commission business, Governor Burgum adjourned the meeting at 1:18 p.m.

INDUSTRIAL COMMISSION OF NORTH DAKOTA



Karlene Fine, Executive Director and Secretary