Minutes of a Meeting of the Industrial Commission of North Dakota

Held on October 30, 2026, beginning at 9:00 a.m.

BND Executive Board Room, 1200 Memorial Highway, Bismarck, ND

Present: Governor Kelly Armstrong, Chairman

Attorney General Drew H. Wrigley

Agriculture Commissioner Doug Goehring

Also Present: This meeting was open through Microsoft Teams; therefore, not all attendees were identified. Agency representatives joined various portions of the meeting.

Governor Armstrong called the meeting of the Industrial Commission to order at approximately 9:01 a.m.

The Industrial Commission meeting was held jointly with the Bank of North Dakota Advisory Board for matters pertaining to the Bank of North Dakota. Advisory Board members joined the meeting at approximately 10:45 a.m. for discussion of bank-related agenda items.

Governor Armstrong invited the room to stand and join the Commission in saying the Pledge of Allegiance.

## DEPARTMENT OF MINERAL RESOURCES

Mr. Mark Bohrer presented the following cases and corresponding orders for the Commission's consideration:

**Case No. 32666 / Order No. 35523**: Application of Petro-Hunt, L.L.C. in accordance with N.D.C.C. § 38-08-04(1)(c) to retroactively and prospectively allocate production of oil and gas from the USA 153-96-13A-24-1HS well (File No. 31793) ("USA well"), drilled and completed on a spacing unit for the Charlson-Bakken Pool described as Sections 13 and 24, T.153N., R.96W. and Sections 18 and 19, T.153N., R.95W., McKenzie County, ND, Charlson and Keene Fields, in the following proportionate manner: 25% to Section 13, 25% to Section 24, 25% to Section 18, and 25% to Section 19; and in order to allocate oil and gas production among spacing units to protect the correlative rights of all owners, including those in the overlapped base spacing unit in the Charlson-Bakken Pool described as Sections 19 and 20, T.153N., R.95W., to further proportionately allocate the 25% of production attributable to Section 19 to Section 20, resulting in 12.5% of production from the USA well allocated to Section 19 and 12.5% allocated to Section 20; and to modify the affected spacing and pooling orders (Order Nos. 13922, 30323 and 32737), to the extent necessary to accomplish the allocation of oil and gas production described above; or granting such other relief as may be appropriate.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve Order No. 35523 issued in Case No. 32666 approving the application of Petro-Hunt, L.L.C. in accordance with N.D.C.C. § 38-08-04(1)(c) to retroactively and prospectively allocate production of oil and gas from the USA 153-96-13A-24-1HS well (File No. 31793) ("USA well"), drilled and completed on a spacing unit for the Charlson-Bakken Pool described as Sections 13 and 24, T.153N., R.96W. and Sections 18 and 19, T.153N., R.95W.,**

**McKenzie County, ND, Charlson and Keene Fields, in the following proportionate manner: 25% to Section 13, 25% to Section 24, 25% to Section 18, and 25% to Section 19; and in order to allocate oil and gas production among spacing units to protect the correlative rights of all owners, including those in the overlapped base spacing unit in the Charlson-Bakken Pool described as Sections 19 and 20, T.153N., R.95W., to further proportionately allocate the 25% of production attributable to Section 19 to Section 20, resulting in 12.5% of production from the USA well allocated to Section 19 and 12.5% allocated to Section 20; and to modify the affected spacing and pooling orders (Order Nos. 13922, 30323 and 32737), to the extent necessary to accomplish the allocation of oil and gas production described above; or granting such other relief as may be appropriate. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.**

Mr. Nathan Anderson presented the Department of Mineral Resources (DMR) legislative priorities for the 70th Legislative Assembly, including both legislatively sponsored and agency-sponsored bills.

Legislatively sponsored proposals include defining saltwater disposal and gathering costs as lease operating expenses; allowing DMR to hire experts and recover associated costs from the non-prevailing party; and enhancing the Abandoned Oil and Gas Well Plugging and Site Reclamation Fund (AWPSRF) by increasing annual reclamation spending authority from $5 million to $7 million, establishing a $60 million fund balance limit, authorizing $2 million for mineral-well conversions to freshwater wells, allowing investment of up to 50% of the fund, and permitting up to 1.5% for DMR software maintenance. Additional proposals would allow administrative approval of commingling production with diverse ownership when production can be accurately determined and clarify unit ratification requirements while extending the approval period from six to 12 months.

Agency-sponsored proposals include organizational changes to establish the Executive Director of Mineral Resources and clarify leadership roles within the Oil and Gas Division and Geological Survey. Additional legislation would define fossils as part of the surface estate, protect the locations of paleontological sites from public disclosure, remove certain paleontology references from Parks and Recreation statutes, and require consultation with the State Geologist before earthmoving operations.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Department of Mineral Resources Director be authorized to submit and support:**

- **An agency bill that amends N.D.C.C. 54-17.3-01, 54-17.3-06, and 55-08-01.3 to define fossils as part of the surface estate, to consider records related to paleontological site locations as exempt from 44-04-18, and to direct the Director of the North Dakota Parks & Recreation Department to consult the State Geologist on paleontology matters instead of the Director of the North Dakota State Historical Society.**
- **An agency bill that amends N.D.C.C. 38-08-04.2, 38-12-02, 54-17.4-05, and 54-17.4-06 to amend the title of the Director of the Department of Mineral Resources to Executive Director of Department of Mineral Resources, to amend the title of the Director of Oil and Gas to establish it as a separate position from the Executive Director of the Department of Mineral Resources, to amend the delegation of Commission authority accordingly, and to define the State Geologist as the Director of the Geological Survey.**

**Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.**

Mr. Anderson provided a Director's Update on legislative preparations, Geological Survey activities, staffing, and oil and gas production. The Department is preparing for the 70th Legislative Assembly and identified potential updates to address industry growth and technological advancements. The Geological Survey completed a second phase of produced water sampling to evaluate lithium extraction potential and completed drilling for the biennium's critical minerals project, with analysis ongoing. North Dakota's rig count remained steady at 34, with 19 operators actively drilling. Well completions increased from 74 in July to 105 in September. August oil production increased 0.24% to approximately 1.16 million barrels per day, while natural gas production reached a record 3.633 billion cubic feet per day. The Department also reported continued improvements in drilling efficiencies through longer horizontal laterals. The August North Dakota tax oil price was $76.14 per barrel, compared to the revenue forecast of $57 per barrel.

Mr. Matt Sagsveen provided an update on the Hess Bakken litigation involving Sinclaire and Missouri River Royalties. Hess filed a petition challenging the Commission's authority to require a third-party audit under Order No. 31179. The petition followed the denial of Hess's request for reconsideration and rehearing and the parties' inability to agree on the audit scope. Mr. Sagsveen indicated the district court proceedings could take four to eight months, with a potential appeal extending the process further. Governor Armstrong expressed concern over the length of the proceedings and requested that options to expedite resolution be explored. Mr. Sagsveen agreed to contact Hess's legal counsel and report back. Governor Armstrong also disclosed his royalty and non-operating interests and noted that he may need to consider recusal if the matter reaches a decision involving competing interests.

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**It was moved by Attorney General Wrigley and seconded by Commissioner Goehring that under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Industrial Commission enter executive session for the purpose of Attorney Consultation regarding a North Dakota Mill legal matter. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.**

Governor Armstrong reminded the Commission members and those present in executive session that the discussion must be limited to the announced purposes. The executive session began at 9:54 a.m.

**NORTH DAKOTA MILL & ELEVATOR EXECUTIVE SESSION ATTENDANCE**

**Commission Members Present:**
Governor Kelly Armstrong
Attorney General Drew Wrigley
Agriculture Commissioner Doug Goehring

**Industrial Commission Office Staff:**
Karen Tyler
Jordan Kannianen
Natalie Henes

**Governor's Office Staff:**
Jacy Schafer
Chris Joseph

**Attorney General's Office Staff:**
Matt Sagsveen
Anine Merkens

**North Dakota Mill & Elevator Staff:**
Cathy Dub
Julie Leake

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The executive session ended at 10:20 a.m. and the Commission reconvened in open session. During the North Dakota Mill & Elevator executive session, the confidential topics listed on the agenda were presented and discussed. No action was requested.

## NORTH DAKOTA BUILDING AUTHORITY

Mindy Piatz with Brady Martz presented the North Dakota Building Authority financial audit for the fiscal year ended June 30, 2026. The audit received an unmodified opinion, with no findings or recommendations, material weaknesses, or instances of noncompliance identified. Total assets and liabilities were approximately $92.84 million, compared to $97.47 million in FY 2025. Outstanding bonds payable decreased to approximately $92.52 million, and no new bonds were issued during FY 2026. Total revenues and expenses were approximately $2.63 million, resulting in no change in net position. The audit identified no corrected or uncorrected misstatements, disagreements with management, or significant difficulties encountered during the audit.

## INDUSTRIAL COMMISSION ADMINISTRATIVE OFFICE

Ms. Karen Tyler presented September 22, 2026, Industrial Commission meeting minutes for consideration of approval.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley that the Industrial Commission approve the September 22, 2026, Industrial Commission meeting minutes. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.**

Mr. Jordan Kannianen presented proposed changes to the Outdoor Heritage Fund (OHF) Grant Program Policies, as recommended by the OHF Advisory Board. Proposed revisions included clarifying project eligibility and exceptional circumstances, updating playground equipment funding provisions, establishing a $30 hourly rate for in-kind labor, and allowing Commission staff to update the rate annually. Additional changes included clarifying matching fund requirements, application procedures, Technical Committee responsibilities, and grant administration processes.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley to approve the proposed Outdoor Heritage Fund Grant Program Policy changes as presented. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.**

The Commission recessed at 10:30 a.m. and reconvened at 10:45 a.m.

## BANK OF NORTH DAKOTA

Mr. Don Morgan presented the CEO Report, noting that all 2026 annual goals remain on track and all third-quarter priorities have been completed. The Bank successfully completed its first Roughrider Coin transaction on September 25, 2026, and plans to expand the pilot program in 2027.

Mr. Morgan, Mr. Rob Pfennig, and Mr. Kirby Evanger presented the Bank of North Dakota's (BND) financial performance highlights through September 30, 2026. BND reported year-to-date net income of $195.8 million, exceeding budget by $5.7 million, with a total return to the state of 5.02%. Total assets were approximately $10.66 billion, with continued growth in commercial and agricultural lending. The Bank maintained a strong financial position, with capital and liquidity levels supporting ongoing operations and lending activities. The report also highlighted performance across BND's commercial, agricultural, student, and legislative-directed loan portfolios, along with credit quality, loan delinquencies, and College SAVE program activity.

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**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 and 44-04-19.2, the Industrial Commission enter executive session for the purpose of Bank of North Dakota confidential business. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.**

Governor Armstrong reminded the Commission members and those present in executive session that the discussion must be limited to the announced purposes. The executive session began at 11:33 a.m.

## BANK OF NORTH DAKOTA EXECUTIVE SESSION ATTENDANCE

**Commission Members Present:**
Governor Kelly Armstrong
Attorney General Drew Wrigley
Agriculture Commissioner Doug Goehring

**Industrial Commission Office Staff:**
Karen Tyler
Jordan Kannianen
Natalie Henes

**Governor's Office Staff:**
Jacy Schafer
Chris Joseph

**Attorney General's Office Staff:**
Matt Sagsveen

**Bank of North Dakota Staff:**
Don Morgan

Rob Pfennig
Alison Anderson
Ryan McKay
Kelvin Hullet
Craig Hanson
Rick Geloff
Kirby Evanger
Brenna Grossbauer
Nate Martindale

**Bank of North Dakota Advisory Board Members:**
Karl Bollingberg
Dennis Johnson
Kathleen Neset
Christie Obenauer
Jean Voorhees
Bill Price
Brenda Foster

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The executive session ended at 11:54 a.m. and the Commission reconvened in open session.

During the Bank of North Dakota executive session, the confidential topics listed on the agenda were presented and one confirming letter of credit was presented for consideration of approval.

**It was moved by Commissioner Goehring and seconded by Attorney General Wrigley to approve the confirming letter of credit as recommended by the Bank Advisory Board and presented in Confidential Attachment 15. Roll call: Commissioner Goehring, Attorney General Wrigley, and Governor Armstrong.**

**ADJOURNMENT**

The next regular Industrial Commission meeting will be held Monday, November 23, 2026, in the Governor's Conference Room from 9:00 a.m. – 12:30 p.m.

With no further business, Governor Armstrong adjourned the meeting of the Industrial Commission at 11:57 a.m.

**Karen Tyler**
Executive Director

**Natalie Henes**
Executive Assistant