

Oil and Gas Research Fund
Financial Statement
2017-2019 Biennium
June 30, 2019

	<u>Cash Balance</u>
July 1, 2017 Balance	\$ 6,525,541.73
Revenues through June 30, 2019 (2% State's share of oil taxes)	\$10,000,000.00
Revenues from interest income & grant applications	\$ 33,261.72
Returned cash	\$ 0.00
Transfer to the Pipeline Authority Fund	\$ (325,000.00)
Expenditures through June 30, 2019 (project payments)	\$ (6,172,628.36)
Adm. Expenditures through June 30, 2019 (including Leg Study)	<u>\$ (204,412.70)</u>
	\$ 9,856,762.39
Outstanding Administration Commitment as of June 30, 2019	\$ (108,188.56)
Outstanding Pipeline Authority Fund transfer	\$ (0.00)
Outstanding Project Commitments as of June 30, 2019 [^]	<u>\$(6,461,347.98)</u>
Balance	\$ 3,287,225.85

Oil and Gas Research Fund
Continuing Appropriation Authority
2017-2019 Biennium

Uncommitted Balance July 1, 2017	\$ 1,579,424.13
Carried Over Legislative 2015-2017 Project Funding	\$ 50,000.00
Carried Over Unused Administration Allocation	\$ 312,601.26
Income from Project Applications & Interest	\$ 33,261.72
Returned Commitments	\$ 0.00
Revenues (2% of State's Share of Oil Tax Revenues)	<u>\$10,000,000.00</u>
	\$11,975,287.11
Transfer to Pipeline Authority	\$ (325,000.00)
Administration Commitment	\$ (312,601.26)
Carried Over Legislative 2015-2017 Project Fund	\$ (50,000.00)
Approved new Project Commitments 2017-2019 [^]	\$ (4,550,460.00)
Carried over Project Commitments for 2017-2019*	<u>\$ (3,450,000.00)</u>
Available Funding	\$ 3,287,225.85

57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.

There is established a special fund in the state treasury to be known as the oil and gas research fund. Before depositing oil and gas gross production tax and oil extraction tax revenues in the general fund, property tax relief sustainability, strategic investment and improvements fund or the state disaster relief fund, two percent of the revenues must be deposited monthly into the oil and gas research fund, up to ten million dollars per biennium. All moneys deposited in the oil and gas research fund and interest on all such moneys are appropriated as a continuing appropriation to the council to be used for purposes stated in chapter 54-17.6.

[^]This includes \$1,000,000 of the \$3,000,000 commitment to Contract G-045-086 (Unitized Legacy Oil Fields: Prototypes for Revitalizing Conventional Oil Field in ND project) to be expended in the 2017-2019 biennium with \$2,000,000 to be expended in the 2019-2021 biennium.

*This includes \$3,450,000 of the remaining \$4,450,000 of the \$6,000,000 commitment to Contract G-040-080 (Bakken Optimization 2.0) to be expended in the 2017-2019 with \$1,000,000 to be expended in the 2019-2021 biennium.

Oil and Gas Research Fund
Financial Statement
2019-2021 Biennium
October 14, 2019 OGRC Meeting

	<u>Cash Balance</u>
July 1, 2019 Balance	\$ 9,856,762.39
Revenues through August 31, 2019 (2% State's share of oil taxes)	\$ 1,329,352.10
Revenues from interest income & grant applications	\$ 2,248.58
Returned cash	\$ 0.00
Transfer to the Pipeline Authority Fund	\$ (0.00)
Expenditures through August 31, 2019 (project payments)	\$ (0.00)
Adm. Expenditures through August 31, 2019	<u>\$ (3,641.20)</u>
	\$ 11,184,721.87
Legislative Directed Studies	\$ (6,300,000.00)
Outstanding Administration Commitment as of August 31, 2019	\$ (296,358.80)
Outstanding Pipeline Authority Fund transfer	\$ (700,000.00)
Outstanding Project Commitments as of August 31, 2019 ^{^*}	<u>\$ (9,716,647.98)</u>
Balance	<u>\$(5,828,284.91)</u>

Oil and Gas Research Fund
Continuing Appropriation Authority
2019-2021 Biennium

Uncommitted Balance July 1, 2019	\$ 3,287,225.85
Carried Over Unused Administration Allocation	\$ 108,188.56
Estimated Income from Project Applications & Interest	\$ 25,000.00
Returned Commitments	\$ 0.00
Revenues (2% of State's Share of Oil Tax Revenues)	<u>\$16,000,000.00</u>
	\$19,420,414.41
Transfer to Pipeline Authority	\$ (700,000.00)
Administration Commitment	\$ (300,000.00)
Legislative Directed Studies	\$ (6,300,000.00)
Approved new Project Commitments 2019-2021 [^]	\$ (2,255,300.00)
Carried over Project Commitments for 2019-2021 [*]	<u>\$ (1,000,000.00)</u>
Available Funding	<u>\$ 8,865,114.41</u>

57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.

There is established a special fund in the state treasury to be known as the oil and gas research fund. Before depositing oil and gas gross production tax and oil extraction tax revenues in the general fund, property tax relief sustainability, strategic investment and improvements fund or the state disaster relief fund, two percent of the revenues must be deposited monthly into the oil and gas research fund, up to ten million dollars per biennium. All moneys deposited in the oil and gas research fund and interest on all such moneys are appropriated as a continuing appropriation to the council to be used for purposes stated in chapter 54-17.6.

[^]This includes \$2,000,000 of the \$3,000,000 commitment to Contract G-045-086 (Unitized Legacy Oil Fields: Prototypes for Revitalizing Conventional Oil Field in ND project) to be expended in the 2019-2021 biennium.

^{*}This includes \$1,000,000 of the \$6,000,000 commitment to Contract G-040-080 (Bakken Optimization 2.0) to be expended in the 2019-2021 biennium.

9/23/2019



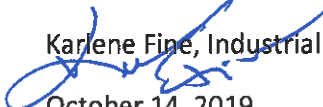
INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Wayne Stenehjem
Attorney General

Doug Goehring
Agriculture Commissioner

MEMORANDUM

TO: Oil and Gas Research Council
FR:  Karlene Fine, Industrial Commission Executive Director/Secretary
DT: October 14, 2019
RE: 2019-2021 OGRF allocations

Attached is a spread sheet for the allocation of the funding that will be available in the Oil and Gas Research Fund for the 2019-2021 biennium. In the past the Council/Commission have allocated dollars in two categories—Research and Education. Monies are also set aside for the Pipeline Authority and for Administrative Costs. The Legislature has also directed funding for the Underground Storage Demonstration Project (\$6,000,000) and for the Recycling Water Study (\$300,000). The total amount that will come from the oil taxes is \$16,000,000. I have estimated interest income of \$25,000 which brings the total of new monies to \$16,025,000. In addition, there were dollars that were uncommitted from the 2017-2019 biennium in the amount of \$3,287,226. Please note that \$3,000,000 of the 2019-2021 funding has already been committed by prior actions of the Council/Commission when you approved funding for Contract G-40-080 (BPOP2) and Contract G-045-086 (Unitized Legacy Oil Fields: Prototypes for Revitalizing Conventional Oil Fields in ND).

The attached spreadsheet proposes the following allocation of the available funds as follows:

		Proposed	Previous Biennium
Research	46.70%	\$ 7,770,415	\$5,749,914
Education	8.42%	\$ 1,350,000	\$1,554,510
Pipeline Authority	4.37%	\$ 700,000	\$ 325,000
Administration	1.20%	\$ 300,000	\$ 312,601
Legislative Directive	39.31%	<u>\$ 6,300,000</u>	<u>\$ 500,000</u>
		\$16,420,415	\$8,442,025

It is my recommendation that the Council recommend the proposed allocation as noted above to the Industrial Commission.

Karlene

Attachment

Oil and Gas Research Program Budget Allocation/Applications

Priorities	2019-2021 Biennium		Carried Over Funds	Carried Over Commitments	2019-2021 Available Funds		Grant Round 49 07/22/19	Current Available Funds	Special					
	%	New Monies			Carried Over Funds	Carried Over Commitments			2019-2021 Available Funds	2019-2021 Available Funds	Grant Round 50 10/14/19	Grant Round 51 11/01/19	Grant Round 52 06/20	Grant Round 53 11/20
Research	46.70%	\$7,483,189	\$3,287,226	\$3,000,000	\$7,770,415	\$7,770,415	\$250,000	\$7,520,415	\$0	\$0	\$0	\$0	\$0	\$0
Education	8.42%	\$1,350,000	\$0	\$0	\$1,350,000	\$1,350,000	\$5,300	\$1,344,700	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	55.12%	\$8,833,189	\$3,287,226	\$3,000,000	\$9,120,415	\$9,120,415	\$255,300	\$8,865,115	\$0	\$0	\$0	\$0	\$0	
Leg.														
Directed	39.31%	\$6,300,000	\$0	\$0	\$6,300,000	\$6,000,000	\$6,000,000	\$300,000						
Pipeline	4.37%	\$700,000	\$0	\$0	\$700,000									
Admin.	1.20%	\$191,811	\$108,189	\$0	\$300,000									
Total	100.00%	\$16,025,000	\$3,395,415	\$3,000,000	\$16,420,415	\$16,255,300	\$6,255,300	\$9,165,115	\$0	\$0	\$0	\$0	\$0	