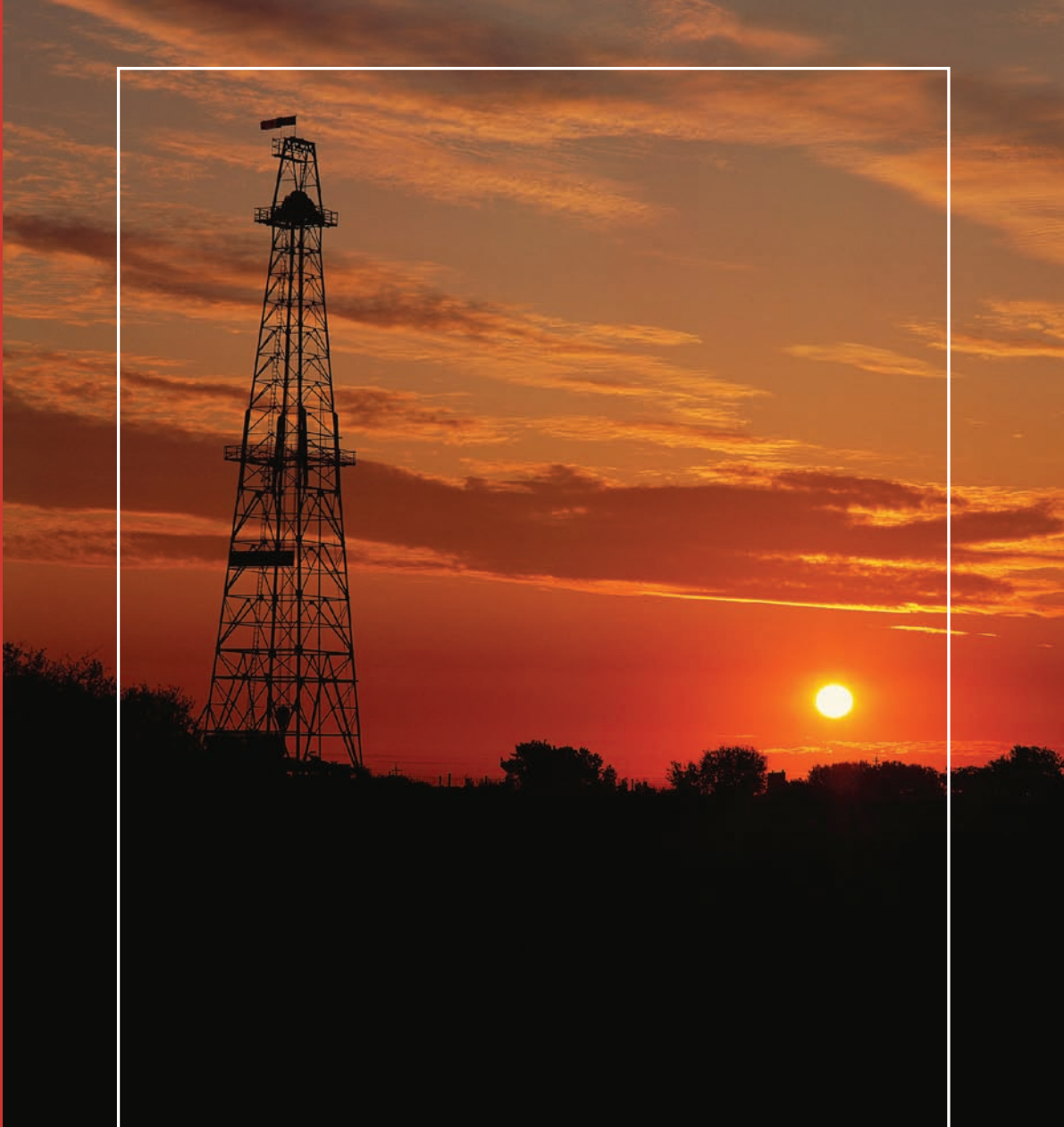


# **Oil and Gas Research: An Asset**



**Increase State Revenue  
with Oil and Gas Research**

Courtesy of North Dakota Governor John Hoeven  
and the Interstate Oil and Gas Compact Commission



**North Dakota Governor John Hoeven**

*The oil and gas industry is extremely important to North Dakota's economy and livelihood. We consider the investment into research for oil and gas an asset to our citizens and the companies who do business here.*

*North Dakota is pleased to be able to share our experiences with the Oil and Gas Research Program just as we did with the publication *Employment Growth: Oil Industry Focus*. Working with the IOGCC, other state governments and the oil and gas industry will help to develop sound practices and policies which will positively impact our nation's energy security."*

A handwritten signature of John Hoeven in black ink.



**Christine Hansen**  
**Executive Director of the Interstate Oil and Gas Compact Commission (IOGCC)**

*"Research is critical to developing techniques and technologies that maximize the recovery of our abundant domestic petroleum resources. In addition, the IOGCC Blue Ribbon Task Force, under the leadership of Gov. Hoeven, recognized in its publication *"The Petroleum Pros"* that funding cuts by industry and the federal government in the area of research were linked to the shortage of qualified petroleum professionals.*

*"North Dakota has taken this to heart, creating its first-class Oil and Gas Research Council dedicated to supporting research and educational activities. We hope the efforts taken by North Dakota can be used as a model by our member states and thank Governor Hoeven for his commitment to research."*

A handwritten signature of Christine Hansen in black ink.





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Photos courtesy of North Dakota Division of Oil and Gas, North Dakota Petroleum Council and Energy & Environmental Research Center  
University of North Dakota PCOR Partnership Atlas

## Research funds at all-time low

In 2003 North Dakota industry and state officials recognized the need for new technologies capable of maximizing the state's existing oil and gas production and improving the exploration and development of new fields.

At that time, North Dakota reported steady declines in production for the last 15 years. It was technological advances, such as horizontal drilling and new discoveries that prevented more drastic declines.

Between 2000 and 2002 oil and gas tax collections in North Dakota fell \$15.3 million. Ten percent of North Dakota's general fund (based on \$37.00 per barrel oil) comes from tax revenues on oil and gas production.

In addition to the oil production tax revenues, North Dakota benefits from related personal and corporate income taxes, sales taxes generated from oil and gas transactions and royalty payments made to state-owned land. Wages in the oil and gas industry which are 80 percent to 90 percent above the statewide average, also contribute significantly to the state's economy.

In 2003 the typical North Dakota producer of oil and gas was a small company with limited resources for research and development. Major oil and gas companies, who at one time conducted research and development in the state, were moving overseas and offshore. On a national level, the industry's oil and gas research and development funding was at an all time low. In the Interstate Oil and Gas Compact Commission (IOGCC)<sup>1</sup> publication, *Who Will Fund America's Energy Future?*<sup>2</sup>, Dr. William Lawson reported that funding for upstream research and development achieved a minimum in 2003. Even as the price of oil and natural gas was increasing, funding for research and development consistently lagged behind other industries, Lawson said.

All indications in 2003 were that federal research and development funds allocated to oil and gas research would not increase to compensate for the industry deficit. As it is, federal spending for research and development has been nearly eliminated.



## North Dakota's solution

North Dakota's oil and gas industry leaders recognized opportunities within the state to increase production through technology and education. They proposed a partnership with the state to fund research and development based on mutual benefits. Greater research and development, they said, would make North Dakota more attractive to the oil industry while providing stable oil and gas revenue for the state.

Spurred by industry enthusiasm, Lynn Helms, director of the ND Oil and Gas Division; Ron Ness, executive director of the North Dakota Petroleum Council; and Robert Harms, then counsel to Gov. John Hoeven, drafted a proposal to develop the Oil and Gas Research Program. Early in the planning process, these three arranged for key industry leaders to meet with Hoeven. At this meeting, Hoeven heard directly from private industry leaders who said the state's involvement in research and development would help increase production in North Dakota. The governor was also able to ask questions and provide his input. His support, at this point, was valuable since enacting this program would affect the state's budget and would be a positive influence during the legislative process. It's important to point out, in 2003, North Dakota's budget was tight and the executive budget had already been prepared. The funds requested for research and development, however, came from taxes paid largely by the companies represented at that meeting.

<sup>1</sup> Interstate Oil and Gas Compact Commission Vision and Mission, Page 6

<sup>2</sup> *Who Will Fund America's Energy Future?*, Page 7





Legislators from districts that produce oil and gas agreed to introduce the bill, forming the Oil and Gas Research Program. A program such as this was familiar, and well received by the legislature, as the Lignite Energy Council set up a similar fund in 1987. The bill passed largely because of the broad coalition (state regulators, legislators, governor's office and industry) that supported the program's creation. Funding for the Oil and Gas Research Program comes from a 2 percent share of the state's oil and gas oil extraction tax revenues. The tax revenues are deposited into the state general fund, with the provision that up to \$1.3 million per biennium must be deposited into the research fund.

When asked recently what he'd do differently Harms said: "We should have approached the Office of Management and Budget earlier in the process. By the time we had momentum, the state's general fund had been allocated. As a result, we started the first biennium (2003-2005) with only \$50,000; enough to get operations in place."

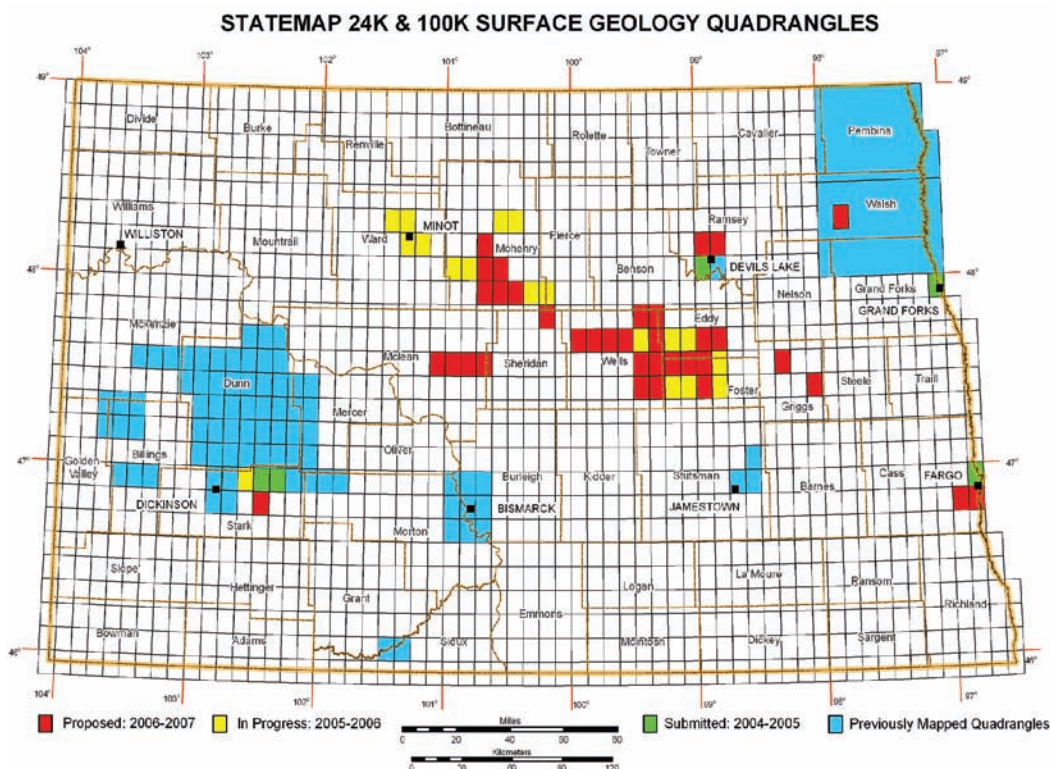
## Management

The Oil and Gas Research Program<sup>3</sup> is managed by the North Dakota Industrial Commission that consists of three statewide elected officials: the governor, attorney general and agriculture commissioner. A separate Oil and Gas Research Council meets

at least twice each year following each round of grant request deadlines. According to Ness, the most difficult aspect of drafting the bill's language was determining the makeup of the council.

"As the legislation was being drafted, there was a real desire that industry be involved in distributing the funds," said Karlene Fine, executive director and secretary of the North Dakota Industrial Commission. Thus, the seven-member council consists of six individuals appointed by the governor (four who are currently engaged in and have at least five years of active industry experience, a county commissioner and an individual from a county with oil and gas production) and the executive director of the North Dakota Petroleum Council. Two state employees, the director of the oil and gas division and the state geologist, serve on the council as nonvoting members.

The mission of the Oil and Gas Research Council<sup>4</sup> is to promote the growth of the oil and gas industry through research and education. The Council is charged with promoting exploration and development, preserving and creating jobs, promoting economic stability, implementing new technologies and promoting public awareness of the oil and gas industry in North Dakota.



First Page of Custom North Dakota ArcIMS Map Server

<sup>3</sup>North Dakota Century Code Chapter 54-17.6 Oil and Gas Research Council, Page 8

<sup>4</sup>Oil and Gas Research Council Mission, Goals and Purposes, Page 11

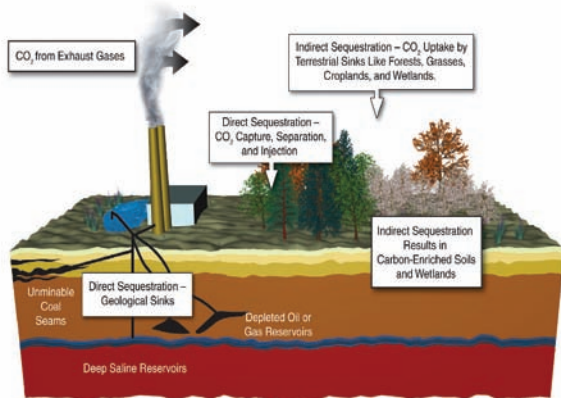
## Systems

Building an infrastructure is essential to the success of any program. The Oil and Gas Research Council, through the North Dakota Industrial Commission, developed a clear set of policies<sup>5</sup> for the administration of the fund modeled after the North Dakota Lignite Research, Development and Marketing Program. Once established, the general public was made aware of these policies through a news release<sup>6</sup>.

The Oil and Gas Research Council policies include specifics for grant eligibility, grant requirements and the process for reviewing and awarding the grants. Providing detailed instructions<sup>7</sup>, via the Web site or by request, for submitting a grant streamlined the application process. A news release<sup>8</sup> was issued by the North Dakota Industrial Commission announcing the funds were available and where to get application information.

Once a submitted application has met the initial criteria for consideration, each grant request is referred to independent technical reviewers<sup>9</sup>. Technical reviewers are professionals who agree to evaluate the application based on the Application Rating Form<sup>10</sup> provided them.

Once completed, these evaluation forms are returned to the party requesting the grant, who then has the option to respond to the technical reviewer's comments. The council members see all comments from technical reviewers and applicants before making a final decision to fund, or not fund, an application.



Block diagram: Modified from Oak Ridge National Laboratory (2000). Original rendering by LeJean Hardin and Jamie Payne.

All technical reviewers are asked to sign an agreement<sup>11</sup> to keep the application confidential and to assure there are no conflicts of interest with the application. The North Dakota Industrial Commission, in return, agrees to keep the reviewer identity anonymous and supply the information to the Oil and Gas Research Council. Payment considerations also are part of this agreement.

Once a project has been accepted by the council, the grantee and the North Dakota Industrial Commission enter a contractual relationship. The terms of that relationship may vary from project to project; however, a template<sup>12</sup> for those agreements has been established to keep the process as uniform as possible.

## Projects

The first grant was funded in April 2004. In the following two years, more than \$1 million has been allocated to 16 projects<sup>13</sup>. Every grant must be matched by at least 50 percent and individual projects funded in those two years ranged from \$6,700 to more than \$23 million. To date, funds have contributed to:

- the development of sophisticated tools to better study the potential for oil and gas exploration and development in North Dakota
- increased stewardship of the state's environment and natural resources
- public education
- industry training and safety classes
- establishment of guidelines for remediation
- research to discover solutions to oil transportation concerns

Lynn Helms, director of the North Dakota Oil and Gas Division, will proudly tell you that geologists anywhere in the world can study North Dakota because of Oil and Gas Research Program funding for the *Digital Thin Section and Core Photo Project* completed by the North Dakota Department of Mineral Resources. In August 2006, the North Dakota Oil and Gas Division's subscription Web site posted 25,901 core photographs taken from 15,433 feet of core and 57,852 photomicrographs taken of 7,546 thin sections.

<sup>5</sup>North Dakota Industrial Commission Oil and Gas Research Council Policies, Page 12

<sup>6</sup>News Release, Industrial Commission Approves Oil and Gas Research Policies, Page 22

<sup>7</sup>Submitting a Grant Application to The Oil and Gas Research Council, Page 23

<sup>8</sup>News Release, Oil and Gas Research Program Funding, Page 26

<sup>9</sup>Review Procedures for Independent Technical Reviewer, Page 27

<sup>10</sup>Application Rating Form, Page 28

<sup>11</sup>Technical Reviewer Agreement, Page 35

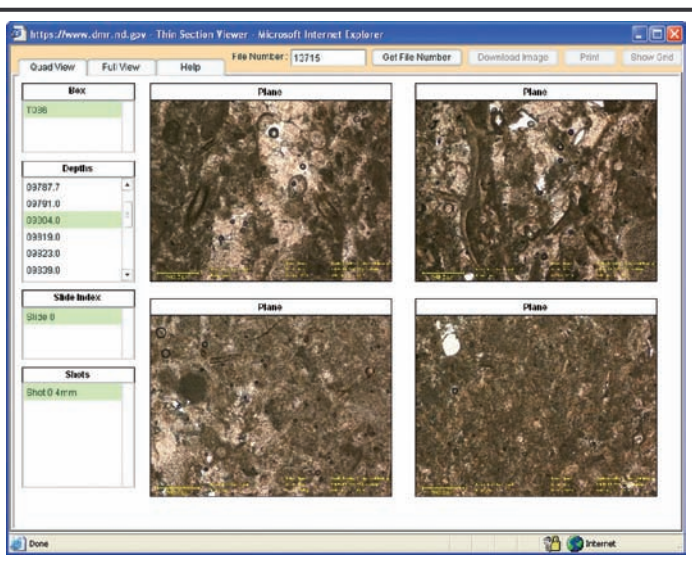
<sup>12</sup>Draft Contract for Private Entities, Page 36

<sup>13</sup>Approved Oil and Gas Research Council Projects, Page 41





Core Photo



Thin Section

Core photos are high resolution digital pictures of rock samples that have been cut from underground formations and brought to the surface for scientific study. The photos make it possible for a geologist to evaluate a proposed drilling project or evaluate company leased acreage for potential oil and gas production by looking at actual rocks in an area for bedding, lithology, fractures and other characteristics that control oil and gas production. These characteristics can be tied to well logs (also available on the Web site) to identify them in wells and areas that were not cored. This service allows this research to be done in minutes and eliminates the need to travel to a core library.

Thin section photomicrographs are high resolution digital pictures of rock slices mounted on microscope slides and viewed under a microscope. Geologists and engineers use these slides to evaluate rock grain size, porosity, mineralization and fractures. In a few minutes or hours they can figure out how the rocks were deposited, how they have been changed by chemistry time and temperature, what kind of porosity they have to store and produce oil and gas, and how best to drill and complete wells to get the hydrocarbons out.

Another project that makes oil and gas research easier is the "Custom North Dakota ArcIMS Map Server." Kadrmass Lee & Jackson, a North Dakota engineering firm, designed this map system that allows users to zoom in to an individual section, township or range on their Web site. Found under "GIS Map Server" on the North Dakota Oil and Gas Division Web site ([www.oilgas.nd.gov](http://www.oilgas.nd.gov)), this site allows anyone to view rigs, wells, field boundaries, seismic surveys, roads, topography and more. Subscribers use this format to get more detailed information related to production, well file, logs and core photos. By selecting a field name users are

provided links to the commission orders, case files and audio files for that field. A custom print utility on the site allows for the production of high-quality, hard-copy print-outs of maps.

*A Guide for Remediation of Salt/Hydrocarbon Impacted Soil* developed by Dr. Len J. Gawel of BioRem Environmental Consultants and distributed by the North Dakota Industrial Commission Department of Mineral Resources is available on CD and in a binder that is a handy, in-the-field resource. The binder and CD sell for \$10 and can be ordered through the North Dakota Oil and Gas Division Web site. To introduce the guide, Gawel presented a remediation workshop during the Williston Basin Petroleum conference. The guide was developed in response to frequent inquiries to the North Dakota Oil and Gas Division regarding spill-site management.

The process in the guide provides a step-by-step, cost effective procedure for remediation of salt/hydrocarbon contaminated soil. This publication provides standardized technology and workable guidelines for operators. The guide helps protect the environment and it educates the oil industry regarding correct and standardized environmental safety procedures.

Grant funds allocated to the Northwest North Dakota Workforce Training Division, a part of Williston State College, were used to develop an industrial training program. By leveraging resources from industry, the college foundation and other state sources a world-class safety program and "new-hire" oil field training programs were created. More than two-hundred safety courses were offered to the benefit of more than 46 oilfield companies and 2,113 participants. Oil and Gas Research Program funds were used specifically for the salary and benefits of a full-time safety instructor.

To jump-start CO<sub>2</sub> enhanced oil recovery (EOR) projects in North Dakota, the Oil and Gas Research Program is helping to finance Phase II efforts of the Plains CO<sub>2</sub> Reduction (PCOR) Partnership. The PCOR Partnership, led by the Energy & Environmental Research Center (EERC) at the University of North Dakota is a collaborative regional effort focused on developing, testing and demonstrating effective and efficient means of CO<sub>2</sub> sequestration in the central interior of North America. The PCOR Partnership is one of seven regional carbon sequestration partnerships, as designated by the U.S. Department of Energy, and includes governmental agencies, utilities, oil and gas companies, nongovernmental organizations and other diverse interests.

John Harju, associate director for research at the EERC and a task leader on this massive project, said "the synergy of the 57 partners involved in this effort, in particular the oil and gas industry and potential CO<sub>2</sub> suppliers and transporters, will catalyze the development of EOR projects, which will build the necessary infrastructure for large-scale CO<sub>2</sub> sequestration. The insight of North Dakotans to invest in research such as that embodied by the PCOR Partnership truly creates a win-win-win situation where the regional energy industry wins, the regional economy wins and the global environment wins."

Challenges in transporting North Dakota oil are currently being addressed by the Northern Alliance of Independent Producers with funding from the Oil and Gas Research Program. This group is conducting a study to determine the reasons and potential solutions to why Williston Basin petroleum production was selling for as much as \$31.00 per barrel lower than NYMEX in 2006.

## Knowledge is power

The Oil and Gas Research Program has proven to be an asset to the economy, environment and people of North Dakota.

By starting this fund in 2003, North Dakotans paved the way to build a stable base for oil and gas exploration and development, regardless of oil and gas prices. Helms said he is confident that before oil reached \$50 a barrel and beyond, independent oil companies were growing their businesses in North Dakota and, as a result, contributing to the state's economy. He also believes three major oil companies returned to North Dakota because of the tools available to subscribers on the North Dakota Oil and Gas Division Web site.

"It's simple," he said. "Access to production data leads to more production, making it easier for drilling prospects to pitch North Dakota as a site."

Research, data collection, public education, training and concern for safety, coupled with addressing immediate and long-term environmental concerns, will positively impact the well being of North Dakotans for generations.

As the eighth largest oil producing state in the nation, North Dakota appreciates the benefits and responsibilities of producing safe and secure energy for our nation. If we believe the old adage "knowledge is power" then surely oil and gas research, now and in the future, is truly an asset.







## Vision

The Interstate Oil and Gas Compact Commission will be viewed as the authority on domestic oil and gas issues. The programming and services of the Commission will be developed around emerging issues, so that the IOGCC is a leader and a driver of national oil and gas policy.

## Mission

The Interstate Oil and Gas Compact Commission is a multi-state government agency that promotes the conservation and efficient recovery of domestic oil and natural gas resources while protecting health, safety and the environment.

## Core Values

Passion • advancing the quality of life  
 Integrity • minimizing environmental impact  
 Credibility • advising our nation's leaders  
 Innovation • finding creative solutions  
 Efficiency • wisely maximizing our nation's energy  
 Inclusion • collectively representing member states

## Member States

Alabama (1945)  
 Alaska (1957)  
 Arizona (1955)  
 Arkansas (1941)  
 California (1974)  
 Colorado (1935)  
 Florida (1945)  
 Illinois (1935)  
 Indiana (1947)  
 Kansas (1935)  
 Kentucky (1942)  
 Louisiana (1941)  
 Maryland (1959)  
 Michigan (1939)  
 Mississippi (1948)  
 Montana (1945)  
 Nebraska (1953)  
 Nevada (1955)  
 New Mexico (1935)  
 New York (1941)  
 North Dakota (1953)  
 Ohio (1943)  
 Oklahoma (1935)  
 Pennsylvania (1941)  
 South Dakota (1955)  
 Texas (1935)  
 Utah (1957)  
 Virginia (1982)  
 West Virginia (1945)  
 Wyoming (1955)

## Associate States

Georgia (1946)  
 Idaho (1960)  
 Missouri (1955)  
 North Carolina (1971)  
 Oregon (1954)  
 South Carolina (1972)  
 Washington (1957)

## International Affiliates

Alberta (1996)  
 British Columbia (2002)  
 Egypt (1999)  
 Newfoundland and Labrador (1997)  
 Nova Scotia (1997)  
 Republic of Georgia (2001)  
 Venezuela (1997)

# WHO will fund America's energy future?



The IOGCC report "Who Will Fund America's Energy Future?" delves into just how important R&D is in recovering what all experts agree are vast quantities of oil and natural gas that exist onshore in the United States. Written by Dr. William F. Lawson, the report highlights the facts and statistics surrounding the current state of R&D funding.

The report found:

- While the overall U.S. Department of Energy (DOE) budget has increased over the last five years, oil and gas R&D funding has declined by nearly 42 percent since 2001.
- Of total R&D expenditures by industry, "actual research" expenditures have decreased by 44 percent since 1992 for the petroleum producing sector.
- Government funding is an important contributor to research with a longer time horizon, which helps smaller producing companies that cannot afford proprietary research spending.

This publication is available for order or download as a PDF on the IOGCC Web site  
[www.iogcc.state.ok.us](http://www.iogcc.state.ok.us)

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## **CHAPTER 54-17.6 OIL AND GAS RESEARCH COUNCIL**

### **54-17.6-01. Definitions.**

1. "Commission" means the North Dakota industrial commission.
2. "Council" means the oil and gas research council.

**54-17.6-02. Oil and gas research council purposes.** There is created the oil and gas research council. The purpose of the council is to coordinate a program designed to demonstrate to the general public the importance of the state oil and gas exploration and production industry, to encourage and promote the wise and efficient use of energy, to promote environmentally sound exploration and production methods and technologies, to develop the state's oil and gas resources, and to support research and educational activities concerning the oil and natural gas exploration and production industry.

**54-17.6-03. Commission to operate council.** The commission shall operate, manage, and control the council.

**54-17.6-04. Powers and duties of commission in managing and operating council.** The commission is granted all the powers necessary or appropriate to carry out and effectuate the purposes of this chapter, including the power to:

1. Make grants or loans, and to provide other forms of financial assistance as necessary or appropriate, to qualified persons for research, development, marketing, and educational projects, and processes or activities directly related to oil and gas exploration and production industry;
2. Enter into contracts or agreements to carry out the purposes of this chapter, including authority to contract for the administration of the oil and gas research, development, marketing, and educational program;
3. Keep accurate records of all financial transactions performed under this chapter;
4. Cooperate with any private, local, state, or national commission, organization, or agent, or group and to make contracts and agreements for programs benefiting the oil and gas industry;
5. Accept donations, grants, contributions, and gifts from any public or private source and deposit such in the oil and gas research fund; and
6. Make and explore orders, rules, and regulations necessary to effectuate the purposes of this chapter.

### **54-17.6-05. Oil and gas research council - Members.**

1. The oil and gas research council is composed of seven members, four of whom must currently be engaged in and have at least five years of active experience in the oil and natural gas exploration and production industry. The council consists of:
  - a. Four members appointed by the governor from a list provided by the North Dakota petroleum council. The governor may reject the list and request the council to submit a new list until the appointments are made.
  - b. One member appointed by the governor from a list provided by the North Dakota association of oil and gas producing counties. The governor may reject

the list and request the association to submit a new list until the appointment is made.

- c. The executive director of the North Dakota petroleum council, or the executive director's designee.
  - d. A county commissioner from an oil producing county appointed by the governor.
  - e. The director of the oil and gas division and the state geologist shall serve on the council as advisory nonvoting members.
- 2. Subject to subsection 6, the terms of office for members of the council are three years but of those first appointed, two serve for one year, two serve for two years, and three serve for three years.
  - 3. The council shall select its chairman from among its members.
  - 4. The council shall have at least one regular meeting each year and such additional meetings as the chairman determines necessary at a time and place to be fixed by the chairman. Special meetings must be called by the chairman on written request of any three members. Four members constitute a quorum.
  - 5. The council shall recommend to the commission the approval of grants, loans, or other financial assistance necessary or appropriate for funding, research, development, marketing, and educational projects or activities and any other matters related to this chapter.
  - 6. Members of the council appointed by the governor serve at the pleasure of the governor.

**54-17.6-06. Access to council records.**

- 1. Materials and data submitted to, or made or received by, the council or commission, to the extent that the council determines the materials or data consist of trade secrets or commercial, financial, or proprietary information of individuals or entities applying to or contracting with the council or receiving council services under this chapter, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, and are subject to section 44-04-18.4.
- 2. A person or entity must file a request with the council or commission to have material designated as confidential under subsection 1. The request must contain any information required by the council and must include at least the following:
  - a. A general description of the nature of the information sought to be protected.
  - b. An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.
  - c. An explanation of why the information is not readily ascertainable by proper means by other persons.
  - d. A general description of any person or entity that may obtain economic value from disclosure or use of the information, and how the person or entity may obtain this value.
  - e. A description of the efforts used to maintain the secrecy of the information.



3. Any request under subsection 2 is confidential. The council shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the council determines the information is either not relevant or not a trade secret, the council shall notify the requester and the requester may ask for the return of the information and request within ten days of the notice. If no return is sought, the information and request are a public record.
4. The names or identities of independent technical reviewers on any project or program and the names of council members making recommendations are confidential, may not be disclosed by the council, and are not public records subject to section 44-04-18 or section 6 of article XI of the Constitution of North Dakota.

# **NORTH DAKOTA INDUSTRIAL COMMISSION OIL AND GAS RESEARCH COUNCIL**

## **Mission Statement**

**The Mission of the Oil and Gas Research Council is to promote the growth of the oil and gas industry through research and education.**

## **Statutory Goals & Purposes**

- Promote efficient, economic, and environmentally sound exploration, development, and use of North Dakota's oil and gas resources.
- Preserve and create jobs involved in the exploration, production and utilization of North Dakota's oil and gas resources.
- Ensure economic stability, growth, and opportunity in the oil and gas industry
- Encourage, and promote the use of new technologies and ideas that will have a positive economic and environmental impact on oil and gas exploration, development, and production in North Dakota.
- Promote Public Awareness of the benefits and opportunities provided by the North Dakota oil and gas industry.

**Grant priority is to be given to those development projects, processes, ideas, and activities which meet the following goals and objectives:**

- Generate information and knowledge that will have the highest probability of bringing new oil and gas companies and industry investment to North Dakota.
- Have the highest potential for creating new oil and gas jobs, wealth, and tax revenues for North Dakota.
- Most effectively educate the general public about the benefits and opportunities provided by the North Dakota oil and gas industry.
- Positively effect ultimate recovery from North Dakota's existing oil and gas pools.
- Preserve existing jobs and production levels.
- Identify oil and gas exploration and production technologies presently not used in North Dakota.
- Identify oil and gas potential in non-producing counties.
- Maximize the market potential for oil, natural gas, and the associated byproducts produced therewith
- Improve the overall suitability of the oil and gas energy industry in North Dakota through the development of new environmental practices that will help to reduce the footprint of oil and gas activities
- Develop baseline information that will lead to other projects, processes, ideas, and activities.



## **North Dakota Industrial Commission Oil and Gas Research Council Policies**

### **Table of Contents:**

- OGRC – 1 General Provisions
- OGRC – 2 Eligibility
- OGRC – 3 Maximum Grant Amount and Matching Fund Requirement
- OGRC – 4 Application Requirements
- OGRC – 5 Review and Award Contracts and Contract Terms
- OGRC – 6 Public Information – Patent and New Technologies Policies

### **OGRC – 01 GENERAL PROVISIONS**

- OGRC – 1.01 History – Administration
- OGRC – 1.02 Definitions
- OGRC – 1.03 Costs of Application Preparation
- OGRC – 1.04 Acceptance and Rejection of Applications
- OGRC – 1.05 Reservation of Funds

**OGRC – 1.01 History – Administration.** Since 2003, the North Dakota Industrial Commission has been authorized to make funds from the Oil and Gas Research Fund available to provide financial assistance for contracts for oil and natural gas education, research, development, and marketing. The Oil and Gas Research Council, established by NDCC 54-17.6-02 (Senate Bill 2311, 2003 Legislative Session), will review and make recommendations to the Commission on all applications for financial assistance under this Program.

**OGRC – 1.02 Definitions.** As used in these policies:

1. “Applicant” means any person or entity applying to the Commission for a grant from the Oil and Gas Research Fund.
2. “Application” means the written document that is submitted to the Commission by an applicant seeking a grant from the Fund.
3. “Commission” means the North Dakota Industrial Commission or its representative.
4. “Contract” means the signed agreement between the Commission and Grantee which describes the rights and duties of the Commission and Grantee with regard to the program.
5. “Council” means the Oil and Gas Research Council as appointed by the Governor.
6. “Fund” means the Oil and Gas Research Fund available to the Commission to provide funding for the Program and as authorized in NDCC 57-51.1-07.3.
7. “Grant” means the monetary award made by the Commission under the Program.
8. “Grantee” means a successful applicant for a grant from the Fund.
9. “Program” means the Program administered by the Commission to demonstrate to the general public the importance of the state oil and gas exploration and production industry, to encourage and promote the wise and efficient use of energy, to promote environmentally sound exploration and production methods and technologies, to develop the state’s oil and gas resources, and to support research and educational activities concerning the oil and natural gas exploration and production industry.

10. “Technical Reviewers” mean independent technical reviewers selected by the Commission to review the merits of applications and to otherwise assist the Commission in administering the Program.

**OGRC – 1.03 Costs of application preparation.** The Commission is not liable for any cost, including costs of preparation of applications, incurred by applicants prior to issuance of a contract. The Commission will be liable only for those costs and expenses expressly identified by contract.

**OGRC – 1.04 Acceptance and rejection of applications.** These policies do not commit the Commission to award funds. The Commission reserves the right to accept or reject any or all applications received as a result of the Program and to negotiate with any and all qualified applicants.

**OGRC – 1.05 Reservation of funds.** The Commission is not obligated to award the total amount of funds made available under this Program. Funds not awarded will be reserved for future grants under the Program.

## **OGRC – 02 ELIGIBILITY**

**OGRC – 2.01 Eligible Applicants**

**OGRC – 2.02 Eligible and Ineligible Projects**

**OGRC – 2.01 Eligible applicants.** Any person, corporation, partnership, cooperative, or association, or consortium of such parties, may apply for funds under this Program. With regard to site-specific feasibility studies, only owners of facilities, sponsors of projects or operators having effective control of a facility or project may apply. Applicants who do not own or control or have the clear and firm commitment of ownership or control are ineligible for feasibility study assistance. Any interested person in doubt as to eligibility should contact the Commission.

**OGRC – 2.02 Eligible and ineligible projects.** Any project proposing education, research, development, or marketing of oil and gas natural resources or research related to issues affecting exploration, production, transportation, processing or refining is eligible for a contract under this Program. The following are examples, in no particular order, of eligible projects.

- Generate information and knowledge that will have the highest probability of bringing new oil and gas companies and industry investment to North Dakota.
- Have the highest potential for creating new oil and gas jobs, wealth, and tax revenues for North Dakota.
- Most effectively educate the general public about the benefits and opportunities provided by the North Dakota oil and gas industry.
- Positively effect ultimate recovery from North Dakota’s existing oil and gas pools.
- Preserve existing jobs and production levels.
- Identify oil and gas exploration and production technologies presently not used in North Dakota.
- Identify oil and gas potential in non-producing counties.
- Maximize the market potential for oil, natural gas, and the associated byproducts produced therewith



- Improve the overall suitability of the oil and gas energy industry in North Dakota through the development of new environmental practices that will help to reduce the footprint of oil and gas activities
- Develop baseline information that will lead to other projects, processes, ideas, and activities.

The following activities or uses are ineligible for funding under this Program:

- a. Business startup capital.
- b. Business working capital.
- c. Business advertising or promotional expenses pertaining to a specific company or entity.

### **OGRC – 3 MAXIMUM GRANT AMOUNT AND MATCHING FUND REQUIREMENT**

OGRC – 3.01 Maximum Grant Amount

OGRC – 3.02 Matching Funds

**OGRC – 3.01 Maximum grant amount.** Grants may be of any amount within the limits of legislation appropriation.

**OGRC – 3.02 Matching funds.** A grant may not exceed fifty percent of the total project cost. Documentation demonstrating the matching funds, including letters of commitment from other funding sources, must be submitted to the Commission within sixty days of the approval of an application by the Commission, or within any additional time granted by the Commission. The Commission's approval is contingent upon receiving this documentation. If it is not received, the approval lapses and no grant may be made. Indirect costs (contributed equipment, materials, or services) may be used by any applicant to supply the required funding match or contribution. A higher priority will be given to those applications having private industry investment equal to at least 50% or more of total cost.

### **OGRC – 4 APPLICATION REQUIREMENTS**

OGRC – 4.01 Application Format

OGRC – 4.02 Application Deadline

OGRC – 4.03 Application Contribution

**OGRC – 4.01 Application format.** An application must be direct, concise, and informative. It must be accompanied with the application contribution of \$100. It must be typed and double spaced on eight and one-half-inch by eleven-inch paper. Each page shall be numbered and the application shall not exceed 15 pages in length (including the transmittal letter). A copy of the application should be submitted electronically to [kfine@state.nd.us](mailto:kfine@state.nd.us) and two paper copies of the application are to be submitted to the following address.

North Dakota Industrial Commission  
ATTN: Oil and Gas Research Program  
State Capitol – Fourteenth Floor  
600 East Boulevard  
Bismarck, North Dakota 58505



The application must contain the following:

1. Transmittal letter. A transmittal letter setting forth a binding commitment on behalf of the applicant to complete the project as described in the application if the Commission makes the grant requested. The letter must be signed by someone authorized to contract on behalf of the applicant.
2. Title Page. A title page setting forth the project title, applicant, principal investigator, date of application, and amount of the request.
3. Table of contents.
4. Abstract. A one-page abstract of the project stating its objective, expected results, duration, total project cost, and participants.
5. Project description. A detailed description of the project, including its objectives; its methodology; its anticipated results; the facilities, resources, and techniques to be used and their availability and capability; the environmental and economic impacts of the project while it is underway; its ultimate technological and economic impacts; and why the project is needed.
6. Standards of success. The standards by which the success of the project is to be measured. This should include the value to North Dakota. An explanation of what parts of the public and private sector will likely make use of the project's results, and when and in what way; of the potential that commercial use will be made of the project's results; how the project will enhance the education, research, development and marketing of North Dakota's oil and natural gas resources; how it will preserve existing jobs and create new ones; and how it will otherwise satisfy the purposes established in the mission of the Program.
7. Background/Qualifications. A summary of prior work related to the project conducted by the applicant and other participants as well as by other organizations. This should also include summary of the experience and qualifications pertinent to the project of the applicant, principal investigator, and other participants in the project.
8. Management. A description of how the applicant will manage and oversee the project to ensure it is being carried out on schedule and in a manner that best ensures its objectives will be met, and a description of the evaluation points to be used during the course of the project.
9. Timetable. A project schedule setting forth the starting and completion dates, dates for completing major project activities, and proposed dates upon which the interim reports will be submitted.
10. Budget an itemized list of the project's capital costs; direct operating costs, including salaries; and indirect costs; and an explanation of which of these costs will be supported by the grant and in what amount. An explanation why the funding requested is necessary to achieve the project's objectives and, if less funding is available than that requested, whether the project's objectives will be unattainable or delayed. The budget should identify all other committed and prospective funding sources and the amount of funding from each source. Higher priority will be given to those projects have matching private industry investment equal to at least 50% or more of total cost.
11. Tax liability. An affidavit stating that the applicant does not have an outstanding tax liability owed to the State of North Dakota or any of its political subdivisions.



12. Confidential information. Any information in the application that is entitled to confidentiality and which the applicant wants to be kept confidential should, if possible, be placed in an appendix to allow for administrative ease in protecting the information from public disclosure while allowing public access to the rest of the application. Such information must be clearly labeled as confidential and the applicant must explain why the information is entitled to confidentiality. Oil and gas well data that is a result of financial support of the Council shall be governed by North Dakota Century Code 38-08-04 (6).
13. Patents and Rights to Technical Data. Any patents or rights that the applicant wishes to reserve must be identified in the application.
14. Appendices. Any necessary supporting documentation.

**OGRC – 4.02 Application deadline.** Applications in the calendar year 2006 must be delivered to the Industrial Commission or postmarked on or before April 1 and November 1. Applications for the first review and award process in subsequent calendar years must be delivered to the Industrial Commission or postmarked on or before May first, and applications for the second review and award process must be delivered to the Industrial Commission or postmarked on or before November first. In addition to these two grant rounds, the Commission may establish additional grant rounds and set application deadlines for those rounds. The applicant may amend its application at any time before the application deadline. After the application deadline, the applicant may amend its application only upon the approval of the Commission.

**OGRC – 4.03 Application contribution.** All applications must be accompanied by a one hundred dollars nonrefundable application contribution. Checks or money orders should be made payable to the “State of North Dakota”.

#### **OGRC – 05 REVIEW AND AWARD PROCESS**

- OGRC – 5.01 Application Evaluation – Criteria
- OGRC – 5.02 Application Review – Initial Review
- OGRC – 5.03 Application Review – Technical Reviewer
- OGRC – 5.04 Application Review – Council Recommendation and Commission Decision
- OGRC – 5.05 Contracts
- OGRC – 5.06 Disbursement of Funds
- OGRC – 5.07 Project Duration
- OGRC – 5.08 Allocations
- OGRC – 5.09 Partially Funded or Delayed Projects
- OGRC – 5.10 Contract Modifications
- OGRC – 5.11 Reporting Requirements

**OGRC – 5.01 Application evaluation – Criteria.** All applications will be evaluated according to the criteria set forth in North Dakota Century Code chapter 54-17.6, and the criteria established by the Commission as stated in these policies.

General Criteria. Priority areas of the Program include, in no particular order, but are not limited to the following:

- Generate information and knowledge that will have the highest probability of bringing new oil and gas companies and industry investment to North Dakota.
- Have the highest potential for creating new oil and gas jobs, wealth, and tax revenues for North Dakota.
- Most effectively educate the general public about the benefits and opportunities provided by the North Dakota oil and gas industry.
- Positively effect ultimate recovery from North Dakota's existing oil and gas pools.
- Preserve existing jobs and production levels.
- Identify oil and gas exploration and production technologies presently not used in North Dakota.
- Identify oil and gas potential in non-producing counties.
- Maximize the market potential for oil, natural gas, and the associated byproducts produced therewith
- Improve the overall suitability of the oil and gas energy industry in North Dakota through the development of new environmental practices that will help to reduce the footprint of oil and gas activities
- Develop baseline information that will lead to other projects, processes, ideas, and activities.

The project's compatibility with the objectives of the Program will be considered, in particular, the following will be evaluated:

- (1) The need for the project;
- (2) The potential use by the oil and gas-related industry of the results to be achieved by the project;
- (3) The timeliness of the project with regards to deadlines established by legislation;
- (4) The impact on the oil and gas-related industry;
- (5) The level of funding requested;
- (6) The level of matching funds, with higher priority given to those projects with private industry investment;
- (7) The short-term and long-term benefits to the applicant, oil and gas industry, oil and gas producers, and the counties and state of North Dakota;
- (8) The likelihood that the project will achieve its technical and market goals;
- (9) The scientific soundness and innovation of any proposed technology;
- (10) The financial feasibility of the proposed project; and
- (11) The technical qualifications and expertise of the applicant, the investigators, and the sponsors.

**OGRC – 5.02 Application review – Initial review.** Upon receipt of an application, the Commission will determine if the application meets eligibility requirements and is complete. The Commission shall complete this review within thirty days of the application deadline date, though the Commission may extend this time if needed to properly review an application. If the Commission determines that the application meets eligibility requirements and is complete, the application will be referred to technical reviewers selected by the Commission. The Commission may also refer any question it has about completeness and eligibility to the Technical Reviewers and such question may then be a consideration throughout the review process. The Commission may waive the independent technical review



process if it determines that funding is not available for the Technical Reviewers or a project is time sensitive.

**OGRC – 5.03 Application review – Technical Reviewer.**

- (1) Technical Reviewers are selected by the Commission. Technical Reviewers should possess the expertise and experience necessary to adequately review the application.
- (2) No individual with a direct financial interest in a proposed project may be involved in any way in reviewing the application. If asked to review the application, the individual with the conflict of interest shall immediately inform the Commission of the conflict. Failure to so notify the Commission disqualifies the individual from serving as a Technical Reviewer unless reinstated by the Commission, and the Commission may disqualify the application from being approved during the round of grants within which the conflict occurred.
- (3) The Technical Reviewers shall assess the technical and fiscal merits of the application. Upon completion of its review, the Technical Reviewers shall make their recommendation to the Council. The Technical Reviewers shall submit their recommendation within sixty days, though the Commission may extend this time if the Technical Reviewers need more time to properly review the application.
- (4) Notification to applicant. The Commission shall promptly notify the applicant of the recommendations made by the Technical Reviewers to the Council.

**OGRC – 5.04 Application review – Council recommendation and Commission decision.**

The Council shall consider, but is not bound by, a recommendation of the Technical Reviewers. The Council shall make a recommendation on each application to the Commission. The Council shall make its recommendation to the Commission within sixty days of its receipt of the Technical Reviewers' recommendations, though the Commission may extend this time if the Council needs to more properly review the application. The Commission shall consider, but is not bound by, a recommendation of the Council.

**OGRC – 5.05 Contracts.** A grantee must enter into a contract with the Commission and submit any supporting documentation required by the Commission. The application will form an integral part of the contract. The Commission shall provide a proposed contract to grantees within sixty days of Commission approval of the project. The grantee will then have sixty days to execute a contract. If a contract is not executed by the grantee within the sixty days, the award will be canceled unless an extension of time is granted by the Commission. Work carried out under a contract is the work of the grantee and not the Commission.

**OGRC – 5.06 Disbursements of funds.** Funds will be disbursed only after a contract has been executed. All disbursements will be made according to the schedule in the contract. Disbursements may be withheld if the Commission deems the grantee has not complied with these policies or the contract.

**OGRC – 5.07 Project duration.** The project must be completed within the time specified in the contract. If the project cannot be completed within the time specified in the contract, the grantee may make a written request to the Commission for an extension of up to one year. The request must set forth the specific additional time requested and the reasons why an extension is needed. Upon receipt of the request, the Commission shall convey it to the



Council. The Council may make use of technical reviewer(s) to analyze the request. The Council shall review the request and make a recommendation to the Commission. The Commission, after reviewing the recommendation, shall decide whether or not to grant the request. Additional extensions may be sought under the same procedure described above, but may only be granted if the grantee proves that factors beyond the grantee's control are the cause of its inability to complete the project on time and that since receiving the first extension the grantee has been diligent in all respects in trying to complete the project on time.

**OGRC – 5.08 Allocations.** If the work under a contract extends beyond the State's fiscal biennium in which the contract is made, any further disbursements of the grant by the Commission to the grantee cannot be guaranteed and will be made only if sufficient funds are appropriated in the new biennium to satisfy the contract.

**OGRC – 5.09 Partially funded or delayed projects.** If the Commission grant is less than the amount requested, the applicant may decline the award or proceed with the project as proposed, notwithstanding the reduced award. Failure of a grantee to proceed with the project in a timely manner or comply with contract terms or these rules entitles the Commission to cancel the grant and contract and to receive from the grantee full reimbursement of all funds the Commission disbursed under the contract.

**OGRC – 5.10 Contract modifications.** If at any time after entering a contract the grantee desires to change any term of the contract, the grantee shall make a written request to the Commission. The request must set forth the specific change desired and the reasons why the change is needed. Upon receipt of the request, the Commission shall determine if the requested change is substantive. If the request change is substantive the Commission shall convey the request to the Council and the Council shall review it and make a recommendation to the Commission. The Council may use Technical Reviewer(s) to analyze the request. If the requested change is not substantive, the Commission shall decide whether or not to grant the request.

**OGRC – 5.11 Reporting requirements.** A grantee has the following reporting obligations:

- (1) Interim reports. A grantee shall submit to the Commission reports summarizing the project's accomplishments and expenditures to date. The timing of the reports will be specified in the contract.
- (2) Special reports. If substantial progress on a project occurs earlier than anticipated, the grantee shall immediately submit to the Commission a report explaining the accomplishment.
- (3) Final report. A comprehensive final report must be submitted to the Commission by all grantees within the time specified in the contract. This report must include a single page project summary describing the purpose of the project, the work accomplished, the project's results, and the potential applications of the project. The rest of the report must explain these subjects in detail as well as the total costs of the project, a summary fiscal accounting of the entire project, any plans for developing or putting to commercial use the results of the project, and whether and in what manner the project met or failed to meet the standards referred to in these policies.



## **OGRC – 6 PUBLIC INFORMATION – PATENT AND NEW TECHNOLOGIES POLICIES**

OGRC – 6.01 Application Ownership

OGRC – 6.02 Rights to Technical Data

OGRC – 6.03 Confidentiality of Oil and Gas Well Information

OGRC – 6.05 Patent Rights – Manufacturing in North Dakota

OGRC – 6.06 Patent Fees – No Charges in North Dakota

**OGRC – 6.01 Application ownership.** Information contained in unsuccessful applications will remain the property of the applicant, but the Commission will retain file copies of all applications, findings, and reports. Except with regard to confidential information, applications are public information and are available to the public upon request and payment of copying charges.

**OGRC – 6.02 Rights to technical data.** Rights to technical data, including software developed under the terms of a grant, shall remain with the grantee.

**OGRC – 6.03 Confidentiality of Oil and Gas Well Information.** Oil and gas well data that is a result of financial support of the Council shall be governed by North Dakota Century Code 38-08-04 (6).

**OGRC – 6.04 Use for governmental purposes.** If a grantee copyrights and publishes material developed with Commission funding the State of North Dakota and its consultants, independent contractors, and suppliers, to the extent such are providing services to the state, shall have an irrevocable royalty-free right to practice under any patents, patent applications, or other new technology developed under this Program. The intent of this section is to enable state agencies to purchase or use, or both, new technology products or processes for governmental purposes without having to pay the imputed development costs of the products or processes twice; first in the research and development state under Commission funding and then later in the purchase of the processes or products. The State may not use this provision to enter into the private marketplace through direct manufacture or production of goods and services. The Commission may waive the State's royalty-free right if any other governmental entity, state, federal, or foreign, provides matching funds and imposes conditions that do or may conflict with the right provided for by this section. A waiver may be given only if the following are met:

- (1) The grantee has requested from the other funding source a waiver of its requirements that conflict or may conflict with this section;
- (2) The other funding source provides at least twenty percent of the project's funding; and
- (3) It is unlikely the State would ever seek to use the right given the State under this section.

**OGRC – 6.05 Patent rights – Manufacturing in North Dakota.** Applicants may retain the principal worldwide patent rights to any invention made with financial support under this program, except the patent holder agrees directly, or through licensing of patents, to assure that any manufacturing thereof shall substantially occur in North Dakota. Similarly, use of

any new technology or other technical information derived in part from funding under this program requires that any manufacturing thereof shall substantially occur in North Dakota. For the purposes of this section, the words “substantial” or “substantially” shall mean not that the primary manufacturing must occur in North Dakota, but rather that more than incidental manufacturing must occur in North Dakota. The grantee or licensee or assignee, as determined by the Commission, must reimburse the entire grant amount received through the Commission should such licensees or assignees relocate or be established out of the State and not continue substantial manufacturing in North Dakota. The Commission may choose not to enforce the “substantial manufacturing” requirement of this section if there is no person or entity in North Dakota capable of fulfilling the requirement and it is unlikely that in the near future a person or entity would be capable of satisfying the requirement.

**OGRC – 6.06 Patent fees – No charges in North Dakota.** Applicants, or anyone that may purchase patent rights from the applicant, cannot charge a patent fee or royalty fee to any citizen, company or corporation in North Dakota for a patent that was developed utilizing financial support from this program.

Approval dates:

Oil and Gas Research Council – January 8, 2004; Revised November 15, 2005; Revised March 1, 2006

Industrial Commission of North Dakota - January 22, 2004; Revised November 22, 2005; Revised March 3, 2006





**INDUSTRIAL COMMISSION OF NORTH DAKOTA**  
**OIL AND GAS RESEARCH COUNCIL**

Governor  
**John Hoeven**  
Attorney General  
**Wayne Stenehjem**  
Agriculture Commissioner  
**Roger Johnson**

News Release

January 30, 2004

For Immediate Release

**Industrial Commission Approves Oil and Gas Research Policies**

BISMARCK -- The Industrial Commission has approved new policies for obtaining grants from the newly created Oil and Gas Research Fund. The fund, together with the Oil and Gas Research Council, were authorized by the 2003 Legislature.

"The oil and gas industry plays an important role in North Dakota's economy," said Gov. John Hoeven. "Partnering with the private sector helps us leverage the dollars and promotes further development of research to ensure a promising future for the oil and gas industry in our state."

"The mission of the Oil and Gas Research Council is to promote the growth of the oil and gas industry through research and education," said Attorney General Wayne Stenehjem. "Individuals interested in submitting an application can go to the Industrial Commission's website <http://www.state.nd.us/ndic/ogrp-infopage.htm> and find the council policies, goals and a document that will outline the application format and process."

"The Legislature appropriated \$50,000 for the program this biennium with the funding increasing to \$1.3 million next biennium," said Agriculture Commissioner Roger Johnson. "The first application deadline is March 1, 2004 and applications should be submitted to the Industrial Commission Office at the State Capitol."

Information on qualifying projects is available on the Commission's website or by contacting the Industrial Commission by e-mail at [kfine@state.nd.us](mailto:kfine@state.nd.us) or writing to the Industrial Commission at 600 East Boulevard, 14<sup>th</sup> Floor, State Capitol, Bismarck, North Dakota, 58505.

For more information regarding the OGRC including grant round deadline dates, visit our web site at: <http://www.state.nd.us/ndic/ogrp-infopage.htm>

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FURTHER INFORMATION: Karlene Fine (701) 328-3722

Wayne Biberdorf, Chairman  
John Bluemle  
Ryan Kopseng

Al Anderson, Vice Chairman  
Lynn Helms  
Bob Mau

Ron Anderson  
Dean U. Koppelman  
Ron Ness

Oil and Gas Research Council (OGRC)  
State Capitol, 14th Floor - 600 E Boulevard Ave Dept 405 - Bismarck, ND 58505-0840  
E-Mail: [kfine@state.nd.us](mailto:kfine@state.nd.us) PHONE: 701-328-3722 FAX: 701-328-2820  
"Your Gateway to North Dakota": [discovemd.com](http://discovemd.com)



# Submitting A Grant Application To The Oil and Gas Research Council

## DISCLAIMER

This document contains information collected by the Industrial Commission to help interested parties prepare grant applications. The Oil and Gas Research Council (OGRC), Industrial Commission, nor any members of these organizations, make any warranty, expressed or implied, with respect to the use of the information or providing grant awards to any party whether or not any grant requests are submitted.

## Acknowledgments

This document is a reference source for parties interested in obtaining funds under the North Dakota Oil and Gas Research Program. The report contains suggestions and a collection of policies concerning grant applications.

The Oil and Gas Research Council is a volunteer, citizen, industry, and government group which provides advice to the Industrial Commission on policies and recommends research for funding under the program. The contributions of the members of the OGRC in recommending programs and reviewing proposals is appreciated.

## Foreword

The oil and gas industry is important to the economy of our State. The oil and gas industry creates thousands of jobs in North Dakota and millions of dollars in income to the State's citizens. It generates millions of dollars in tax revenues to support the basic government services needed for the citizens of our State.

In addition, oil and gas is a valuable energy resource for North Dakota and the nation. The more oil and gas produced in North Dakota reduces the nation's reliance on foreign oil and gas.

Oil and gas has played an important role in the history of North Dakota, and it will play an important role in our future.

"Submitting a Grant Application" was prepared to help potential applicants. We welcome your comments and suggestions on the documents and ways to improve the Program and the application process.

John Hoeven  
Governor

Wayne Stenehjem  
Attorney General

Roger Johnson  
Agriculture Commissioner

## Executive Summary

In an effort to further develop the State's oil and gas resources and the industry, the 2003 Legislature created the Oil and Gas Research Council. The Mission of the Oil and Gas Research Council is to promote the growth of the oil and gas industry through research and education. The purpose of the OGRC is to coordinate a program designed to demonstrate to the general public the importance of the State's oil and gas exploration and production industry, to encourage and promote the wise and efficient use of energy, to promote environmentally sound exploration and production methods and technologies, to develop the State's oil and gas resources and to support research and educational activities concerning the oil and gas exploration and production industry.

The objective of this document is to provide information that will help interested parties submit grant applications.



### **The Grant Application**

All grant applications must meet the provisions of Section 4 of the OGRC Policies. Information in this document, "Submitting a Grant Application", is merely provided to help the applicant and does not govern the grant application process. The grant application process is outlined in OGRC Policies and in Chapter 54-17.6 of the North Dakota Century Code.

### **Who Can Submit an Application?**

An application may be submitted by any person, corporation, partnership, cooperative, association, or consortium of such parties.

### **When Can Grant Applications Be Submitted?**

Grant applications are accepted on dates set by the Industrial Commission. (See Section 4.02 of the OGRC Policies.) The OGRC Policies provide that applications must be delivered to the Industrial Commission or postmarked on or before May 1 or November 1 of each year. The Industrial Commission has reserved the right to establish additional grant grounds and set application deadlines for those rounds.

### **Where Should Grant Applications Be Submitted?**

Grant applications should be submitted to:

Karlene Fine, Executive Director  
North Dakota Industrial Commission  
State Capitol - 14th Floor  
600 East Boulevard Ave Dept 405  
Bismarck, ND 58505-0840  
kfine@nd.gov

### **What Is the Grant Application Format?**

The grant application must follow the format given in Section 4 of the OGRC Policies. The application is limited to 15 pages in length and must include a transmittal letter signed by someone authorized to contract on behalf of the applicant. The application must contain a title page and table of contents. The outline for the application should follow the application format listed in OGRC Policy 4-01. Each application must include a \$100 application contribution. Two paper copies of the application must be provided along with the application being in electronic format (Word or Adobe) to kfine@nd.gov

### **Can Confidential Information Be Submitted?**

Confidential information can be submitted if the submission conforms with North Dakota Century Code 54-17.6-06.

### **How Are Applications Reviewed?**

The applications are reviewed by the Industrial Commission to determine if they meet eligibility requirements and are complete. Those applications meeting eligibility and completion requirements are submitted to two or more peer reviewers for independent technical review. The Industrial Commission has reserved the right to waive the independent technical review process if it determines that funding is not available for the technical reviewers or a project is time sensitive.

The independent technical reviewers are selected by the Industrial Commission as authorities in the field. The identities of these peer reviewers are confidential. The comments and ranking of these anonymous reviewers are provided to the OGRC, Industrial Commission and grant applicants.

The OGRC meets to consider the application requests and technical reviewers' comments. The OGRC prepares and submits a recommendation for funding to the Industrial Commission. The Industrial Commission may approve or reject applications that have received a favorable OGRC recommendation.

**What Are the Funding Limits?**

Grants may not exceed fifty percent of the total project costs. A higher priority will be given to those projects with matching private industry investment (see Section 3 of the OGRC Policies).

**Who Owns the Information and Rights?**

The information contained in the application remains the applicant's, but the Industrial Commission will retain file copies. Except for confidential information, applications are public information. Rights to technical data and patents are covered in Section 6 of the OGRC Policies.

**How Are the Funds Disbursed?**

The grantee must enter into a contract. The contract will include provisions for disbursement of funds and reporting requirements.

**Priorities**

The Industrial Commission has established grant priorities for projects. See OGRC Goals.





INDUSTRIAL COMMISSION OF NORTH DAKOTA  
OIL AND GAS RESEARCH COUNCIL

Governor  
**John Hoeven**  
Attorney General  
**Wayne Stenehjem**  
Agriculture Commissioner  
**Roger Johnson**

News Release

April 27, 2005

For Immediate Release

**OIL AND GAS RESEARCH PROGRAM FUNDING AVAILABLE**

BISMARCK – The North Dakota State Industrial Commission is seeking applications for oil and gas research projects.

“The projects must meet the mission of the Oil and Gas Research Program which promotes the growth of the petroleum and natural gas industries through research and education,” said Gov. John Hoeven. “By working with the private sector, the state of North Dakota hopes to see this vital industry continue to grow and expand.”

“Anyone interested in submitting an application can go to the Industrial Commission’s website <http://www.state.nd.us/ndic/ogrp-infopage.htm> and find the Oil and Gas Research Program goals and policies, said Attorney General Wayne Stenehjem. “The website also includes a document that outlines the application format and process.”

“Grant applications should be submitted to the Industrial Commission office by June 1, 2005,” said Agriculture Commissioner Roger Johnson. “The program has more than \$1.3 million available for awards over the next two years.”

Information on qualifying projects is available on the Industrial Commission website or from the Industrial Commission at 600 East Boulevard, 14<sup>th</sup> Floor, State Capitol, Bismarck, North Dakota 58505 or [kfine@state.nd.us](mailto:kfine@state.nd.us).

The Industrial Commission, consisting of Gov. John Hoeven, chairman; Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson, oversees the Oil and Gas Research Program. The Commission receives recommendations from the Oil and Gas Research Council regarding all applications.

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**FURTHER INFORMATION: KARLENE FINE 701-328-3722**

Wayne Biberdorf, Chairman  
Ed Murphy  
Ryan Kopseng

Al Anderson, Vice Chairman  
Lynn Helms  
Bob Mau

Ron Anderson  
Dean U. Koppelman  
Ron Ness

Oil and Gas Research Council (OGRC)  
State Capitol, 14th Floor - 600 E Boulevard Ave Dept 405 - Bismarck, ND 58505-0840  
E-Mail: [kfine@state.nd.us](mailto:kfine@state.nd.us) PHONE: 701-328-3722 FAX: 701-328-2820  
“Your Gateway to North Dakota”: [discovernd.com](http://discovernd.com)



## Review Procedures

TO: INDEPENDENT TECHNICAL REVIEWER

FROM: KARLENE FINE, EXECUTIVE DIRECTOR  
INDUSTRIAL COMMISSION

SUBJECT: OIL AND GAS RESEARCH COUNCIL TECHNICAL PEER REVIEW PROCEDURES

Research grant awards made by the North Dakota Industrial Commission (the Commission) from the Oil and Gas Research Fund (OGRF) are based on the technical quality of the project and its compatibility with the state's oil and gas research objectives. The enclosed proposal(s) are for your review as part of the peer review process:

“ \_\_\_\_\_ ”

The evaluation instructions are as follows:

1. Carefully read the enclosed rating form. Note the criteria on which the proposal is to be evaluated.
2. Read and mark up the proposal(s) with the evaluation criteria in mind.
3. If you discover that you are in any position to receive a financial benefit from the activities of this proposal(s), either directly or through your employer, please notify the ND Industrial Commission through the contact below to determine if you should complete the evaluation. Failure to do so will disqualify you from serving on any future technical review panel under the OGRF unless reinstated by the Commission and may disqualify the application.
4. Complete one copy of the evaluation form (either type or print) for each proposal enclosed. Please be sure all items are completed. Please add your personal comments on each criterion as they will be used to make a final decision in the event two or more proposals are evaluated as being essentially equal.
5. **You have been assigned Reviewer Identification Number: \_\_\_\_\_.** This will be your only identification to the prospective awardee. Both successful and unsuccessful proposal submitters will see a copy of your evaluation and comments, but without any disclosure of your correspondence associated with this evaluation.
6. Please return your completed evaluation form(s), the Technical Reviewer Agreement and proposal(s) to:

Karlene Fine, Executive Director  
Industrial Commission of North Dakota  
State Capitol – Fourteenth Floor  
Bismarck, ND 58505  
(701) 328-3722 (Phone)  
(701) 328-2820 (Fax)  
[kfine@state.nd.us](mailto:kfine@state.nd.us)

You may return the completed rating form(s) via e-mail, fax, or U. S. Postal Service.

7. If there are any questions on the conduct of this evaluation, please contact Karlene Fine at the above address by phone, fax or e-mail.
8. This request for evaluation was e-mailed on: \_\_\_\_\_.



## APPLICATION RATING FORM

Reviewer's Identification Number: \_\_\_\_\_ (no name please)

Date:

Principal Investigator(s):

Proposal Number:

Application Title:

### Section A. Summary of Ratings:

Please complete the questions below and then fill in this summary.

Statement	Circled Number	Weighting Factor	Subrating
1. Objectives	_____ X	9	= _____
2. Achievability	_____ X	9	= _____
3. Methodology	_____ X	7	= _____
4. Contribution	_____ X	7	= _____
5. Awareness	_____ X	5	= _____
6. Background	_____ X	5	= _____
7. Project Management	_____ X	2	= _____
8. Equipment Purchase	_____ X	2	= _____
9. Facilities	_____ X	2	= _____
10. Budget	_____ X	2	= _____
		Total: 50	_____
			250 points possible

Note: While points are necessary to establish an overall rating, comments on the various criteria are critical to truly understanding the value of a proposed project. Please elaborate in the comment sections to the maximum extent possible.

Overall Recommendation: \_\_\_\_\_ Fund  
\_\_\_\_\_ Funding May Be Considered  
\_\_\_\_\_ Do Not Fund

## Section B. Ratings and Comments:

Please circle your response to each statement and transfer the number circled to the column entitled "Circled Number" on the first page of this form. Also, please comment on each criteria.

1. The objectives or goals of the proposed project with respect to clarity and consistency with North Dakota Industrial Commission/Oil and Gas Research Council goals are: 1 – very unclear; 2 – unclear; 3 – clear; 4 – very clear; or 5 – exceptionally clear.

Please comment:

2. With the approach suggested and time and budget available, the objectives are: 1 – not achievable; 2 – possibly achievable; 3 – likely achievable; 4 – most likely achievable; or 5 – certainly achievable.

Please comment:



3. The quality of the methodology displayed in the proposal is: 1 – well below average; 2 – below average; 3 – average; 4 – above average; or 5 – well above average.

Please comment:

4. The scientific and/or technical contribution of the proposed work to specifically address North Dakota Industrial Commission/Oil and Gas Research Council goals will likely be: 1 – extremely small; 2 – small; 3 – significant; 4 – very significant; or 5 – extremely significant.

Please comment:

5. The principal investigator's awareness of current research activity and published literature as evidenced by literature referenced and its interpretation and by the reference to unpublished research related to the proposal is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.

Please comment:

6. The background of the investigator(s) as related to the proposed work is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.

Please comment:



7. The project management plan, including a well-defined milestone chart, schedule, financial plan, and plan for communications among the investigators and subcontractors, if any, is: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – very good; or 5 – exceptionally good.

Please comment:

8. The proposed purchase of equipment is: 1 – extremely poorly justified; 2 – poorly justified; 3 – justified; 4 – well justified; or 5 – extremely well justified. (Circle 5 if no equipment is to be purchased.)

Please comment:

9. The facilities and equipment available and to be purchased for the proposed research are: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – notably good; or 5 – exceptionally good.

Please comment:

10. The proposed budget “value”<sup>1</sup> relative to the outlined work and the financial commitment from other sources is of: 1 – very low value; 2 – low value; 3 – average value; 4 – high value; or 5 – very high value. (See below)

Please comment:

<sup>1</sup> “Value” – The value of the projected work and technical outcome for the budgeted amount of the project, based on your estimate of what the work might cost in research settings with which you are familiar.

Financial commitment from other sources – A minimum of 50% of the total project must come from other sources to meet the program guidelines. Support less than 50% from Industrial Commission sources should be evaluated as favorable to the application.



### Section C. Overall Comments and Recommendations:

Please comment in a general way about the merits and flaws of the proposed project and make a recommendation whether or not to fund.

General comments:

### Technical Reviewer Agreement

This agreement is between the Industrial Commission of North Dakota (Commission) and \_\_\_\_\_ (Reviewer):

Reviewer is an Independent Technical Reviewer, the responsibilities of which are to review applications for funding from the Oil and Gas Research Fund. Reviewer agrees to do the following:

1. To keep in confidence the contents of all applications received for review;
2. Not to give an application to another person for review or comment without prior notice to and written approval from the Commission;
3. To return all applications to the Commission;
4. To complete the required rating form; and
5. To notify the Commission should the Reviewer have a direct financial interest in the proposed project(s) presented to him/her for review.

In addition, I understand the following:

1. That the Commission will make a best effort to maintain anonymity of reviewers with applicants, but will make review comments available to applicants;
2. That the Oil and Gas Research Council will consider comments and ratings received from me in making funding recommendations to the Commission;
3. That the Reviewer is not receiving a salary or other remuneration from the State of North Dakota for the services performed except if the individual is on approved annual leave.

Signed \_\_\_\_\_ Date \_\_\_\_\_  
(Reviewer)



## DRAFT CONTRACT FOR PRIVATE ENTITIES

Contract No. \_\_\_\_\_

This contract is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2004, between the State of North Dakota acting by and through its Industrial Commission, hereafter called Commission, and \_\_\_\_\_, hereafter called Contractor.

1. Independent Contractor

The Contractor, its employees, agents and representatives are not employees of the Commission. Nothing in this Agreement shall be deemed to create an employer/employee relationship between the Commission and the Contractor.

2. Scope of Work

a. The Contractor agrees to perform the work described in Exhibit A, entitled \_\_\_\_\_, which is attached to this Agreement and is made a part of it.

b. Contractor agrees to provide reports for the work mentioned in Paragraph 2a as follows:

Status Report: \_\_\_\_\_

Status Report: \_\_\_\_\_

Final Report: \_\_\_\_\_

The reports shall be in compliance with 5.11 of the Oil and Gas Research Council Policies. Specifically, the Final Report must include a single page project summary describing the purpose of the project, the work accomplished, the project's results, and the potential applications of the project. Each Report must provide documentation verifying the receipt of the private matching funds. The Final Report and the Project Summary must be submitted in hard copy and either Word 6.0/95 electronic format or Adobe portable document format.

3. Consideration

a. For performing the work the Commission agrees to grant to Contractor an amount not to exceed \$\_\_\_\_\_ according to the following schedule:

Upon execution of the contract \$\_\_\_\_\_

Upon receipt and consideration of status report \$\_\_\_\_\_

Upon receipt and consideration of final report \$\_\_\_\_\_

b. If after reviewing a report the Commission believes that the report is inadequate or that the Contractor is not complying with the scope of work or satisfactorily carrying out the work, the Commission may withhold all or part of a scheduled payment until the Contractor, in the opinion of the Commission, has remedied the deficiency(ies).

4. Authority to Contract and Subcontract

The Contractor shall not have the authority to contract for or on behalf of or incur obligations on behalf of the Commission.

Contractor shall not enter into any subcontracts for any of the work described herein and in Exhibit A without obtaining prior written approval from the Commission.

If the Contractor obtains prior written approval to enter into a subcontract with a qualified provider of services, the Subcontractor shall acknowledge the binding nature of this Agreement and incorporate this Agreement together with its attachments as appropriate. The Contractor must agree to be solely responsible for the performance of any Subcontractor.

5. Funds Available and Authorized

Commission certifies at the time of the execution of this Agreement sufficient funds are available and authorized for expenditure to finance costs of this Agreement within the Commission's current appropriation or limitation to July 1, 2005. It is agreed that in the event the appropriation or funding to the Commission is not obtained and continued at a level sufficient to allow for payments to the Contractor for the services identified in Paragraph 2, the obligations of each party hereunder terminate upon delivery of written notice to the Contractor.

6. Termination

This contract may be terminated by mutual consent of both parties in writing and delivered by certified mail or in person.

Upon delivery of written notice to the Contractor, the Commission may immediately terminate the whole or any part of this Agreement if:

- a. The Contractor fails to provide services described herein and in Exhibit A within the time specified herein or any extension thereof; or
- b. The Contractor fails to perform any of the other obligations under this Agreement, and after receipt of written notice from the Commission, fails to correct such failures within ten days or such longer period as the Commission may authorize.

The rights and remedies of the Commission provided in the above clause related to defaults (including breach of contract) by the Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement. Any such termination of this Agreement, other than from breach of contract, shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

If the Commission terminates this Agreement for default by the Contractor, the Contractor shall immediately reimburse the Commission the amount of all money paid by the Commission to the Contractor hereunder.

7. Contract Management

Notwithstanding the Contractor's responsibility for total management responsibility of the work described herein and in Exhibit A, the administration of the Agreement will require maximum coordination between the Oil and Gas Research Council, the Commission and the Contractor.

***Commission's Authorized Officer***

The Commission's Authorized Officer will monitor all technical aspects and carry out all contractual administration of this Agreement. Communications pertaining to this Agreement will be addressed to:

The Industrial Commission of North Dakota  
Attention: Karlene Fine  
State Capitol 14<sup>th</sup> Floor  
600 E Boulevard Ave Dept 405



Bismarck, North Dakota 58505-0840

The Commission's Authorized Officer is the only person authorized to approve changes in any of the requirements under this Agreement.

8. Access to Records

The Commission, the State Auditor of the State of North Dakota, and the Office of the Attorney General of the State of North Dakota, and their duly authorized representatives, shall have access to the books, documents, papers and records of the Contractor relating to the work performed by the Contractor hereunder for the purpose of auditing, examining and copying the same.

9. Compliance with Law

The Contractor shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Agreement.

10. Indemnity and Insurance

The Contractor shall save and hold harmless the State of North Dakota and the Commission, its officers, agents, employees, and members, from all claims, suits, or actions of whatsoever nature resulting from or arising out of the activities of the Contractor or its subcontractors, agents, or employees under this Agreement. The Contractor shall obtain liability insurance coverage with limits of liability equal to or greater than those damage limits prescribed in N.D.C.C. §32-12.2-02.

11. Ownership of Work Product, Patent Rights and Fees

All work product, patent rights and fees of the Contractor resulting from this contract shall be governed by Section 6 of the Oil and Gas Research Council Policies.

12. Nondiscrimination

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations.

13. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

14. Captions

The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Agreement.

15. Execution and Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

16. Amendments

The terms of this Agreement shall not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written instrument signed by the parties.

17. Notices

All notices, certificates or other communications shall be sufficiently given when delivered or mailed, postage prepaid, to the parties at their respective places of business as set forth below



or at a place designated hereafter in writing by the parties.

Industrial Commission of North Dakota  
State Capitol, Fourteenth Floor  
600 E Boulevard Ave Dept 405  
Bismarck, ND 58505-0840

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18. Successors in Interest

The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

19. Attorney Fees

If a lawsuit of any kind is instituted on behalf of the state to collect any payment due under this Agreement, Contractor agrees to pay such additional sums as the court may adjudge for reasonable attorney fees and to pay all costs and disbursements incurred therein.

20. Severability

The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

21. Waiver

The failure of the state to enforce any provisions of this Agreement shall not constitute a waiver by the state of that or any other provision.

22. Merger Clause

This Agreement constitutes the entire agreement between the parties. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Contractor, by the signature below of its authorized representative, hereby acknowledges that the Contractor has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

23. Legal Notice/Disclaimer

The following notice shall be contained in all reports intended to be released to the public:

This report was prepared by ---- pursuant to an agreement with the Industrial Commission of North Dakota, which partially funded the report. None of \_\_\_\_ or any of its subcontractors, the Industrial Commission of North Dakota or any person acting on behalf of any of them:

(A) Makes any warranty or representation, express or implied, with respect to the accuracy, completeness, or usefulness of the information contained in this report, or that the use of any information, apparatus, method, or process disclosed in this report may not infringe privately-owned rights; or

(B) Assumes any liabilities with respect to the use of, or for damages resulting from the use of, any information, apparatus, method or process disclosed in this report.

Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favoring by the Industrial Commission of North Dakota. The views and opinions of authors expressed herein do not necessarily state or reflect those of the Industrial Commission of North Dakota.

(Contractor's Name)

NORTH DAKOTA INDUSTRIAL COMMISSION

By: \_\_\_\_\_  
Name  
\_\_\_\_\_  
Title

By: \_\_\_\_\_  
Karlene Fine  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Approved Oil and Gas Research Council Projects

**Custom North Dakota ArcIMS Map Server**  
Submitted by: Kadmas Lee & Jackson

Total project cost is \$14,000, OGRP funding \$7,000

**Train the Trainer for Oilfield Emergencies**  
Submitted by: ND Association of Oil and Gas Producing Counties

Total project cost is \$8,500, OGRP funding \$4,000

**Digital Thin Section and Core Photo Project**  
Submitted by: ND Oil and Gas Division and ND Geological Survey

Total project cost is \$39,966, OGRP funding \$10,000

**North American Prospect Expo (NAPE)**  
Submitted by: ND Geological Survey

Total project cost is \$10,000, OGRP funding \$5,000

**North Dakota Petroleum Council's Teacher Education Seminar**  
Submitted by: ND Oil and Gas Association

Total project cost is \$12,880, OGRP funding \$5,152

**North Dakota Petroleum Council and Oil and Gas Education Program**  
Submitted by: ND Petroleum Council

Total project cost is \$210,000, OGRP funding \$100,000

**Industrial Safety Training Program**  
Submitted by: NW ND Workforce Train-WSC

Total Project cost is \$281,601, OGRP funding \$65,540

**Contribution of the Petroleum Industry to the North Dakota Economy**  
Submitted by: ND Petroleum Council

Total project cost is \$40,000, OGRP funding \$20,000

**Cretaceous Gas/Shale Expansion -**  
Submitted by: Continental Resources

Total project cost is \$630,120, OGRP funding \$186,120

**Remediation of Salt and Hydrocarbon Impacted North Dakota Soil**  
Submitted by: BioRem Environmental Consultants, Amerada Hess Corporation and the Department of Mineral Resources - Oil and Gas Division

Total project cost is \$40,000, OGRP funding \$20,000

**North American Prospect Expo**  
Submitted by: Department of Mineral Resources-Geological Survey

Total project cost is \$6,725, OGRP funding \$1,445

**Education of Oilfield Fire Safety**  
Submitted by: ND Association of Oil and Gas Producing Counties

Total project cost is \$216,500, OGRP funding \$15,000

**Plains CO<sub>2</sub> Reduction Partnership Program - Phase II**  
Submitted by: EERC

Total project cost is \$21,487,892, OGRP funding \$500,000

**Public Education Program**  
Submitted by: Northern Alliance of Independent Producers

Total project cost is \$210,000, OGRP funding \$20,000

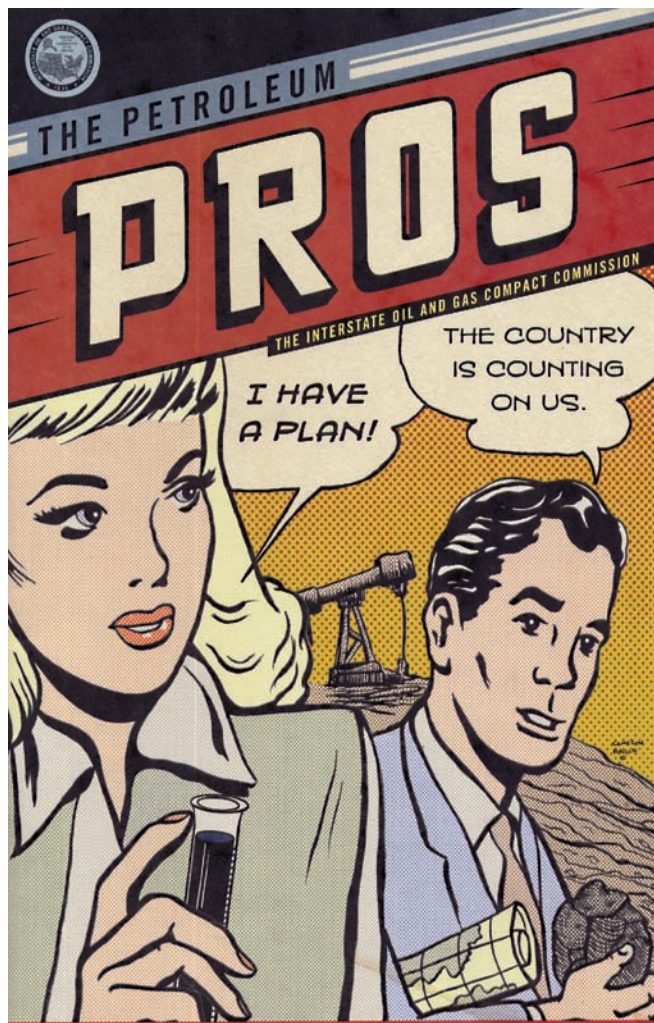
**Polymer Gel Treatment: A Remediation for Produced Waters**  
Submitted by: Aeon Energy

Total project cost is \$100,815, OGRP funding \$50,500

**Crude Oil Transportation Capacity Study**  
Submitted by: Northern Alliance of Independent Producers

Total project cost is \$16,000, OGRP funding \$8,000





## Employment Growth: Oil Industry Focus



Fill oil and gas positions rapidly  
with this step by step guide.

Collaborative efforts on behalf of North Dakota's workforce agency and the oil and gas industry led to 77 percent job vacancy fulfillment in less than two months.

Courtesy of North Dakota Governor John Hoeven and the IOGCC

In December 2001, Governor John Hoeven assembled a Petroleum Professionals Blue Ribbon Task Force, within the Interstate Oil and Gas Compact Commission (IOGCC), to address the growing shortage of qualified workers in the oil and gas industry.

Results of this Blue Ribbon Task Force study indicate the lack of manpower is jeopardizing the country's energy security and that an ongoing, adequate pool of qualified individuals is essential to increased supplies of domestic and natural gas.

The IOGCC Blue Ribbon Task Force study and recommendations are available in a publication titled, *The Petroleum Pros*, which also documents the falling number of petroleum specific degrees being awarded by U.S. colleges and universities.

Finding oil field workers in North Dakota was a challenge. Conventional methods of job advertising were not successfully filling vacant positions. Employers in the North Dakota oil and gas industry were ready to give up. Their hopes of growing their businesses in North Dakota were fading. They couldn't find workers.

Industry and state government joined forces. Two months into the program, 77 percent of North Dakota's oil and gas industry positions were filled with qualified candidates. As the positions are filled, job listings continue. Today the North Dakota oil and gas industry is handling increased production and stands ready to do more.

These publications are available for order or download as a PDF on the IOGCC Web site:  
[www.iogcc.state.ok.us](http://www.iogcc.state.ok.us)





## Resources

Interstate Oil and Gas Compact Commission  
[www.iogcc.state.ok.us](http://www.iogcc.state.ok.us)

North Dakota  
[www.nd.gov](http://www.nd.gov)

North Dakota Industrial Commission  
[www.state.nd.us/ndic](http://www.state.nd.us/ndic)

North Dakota Oil and Gas Division  
[www.oilgas.nd.gov](http://www.oilgas.nd.gov)

North Dakota Oil and Gas Program  
[www.nd.gov/ndic/ogrp-infopage.htm](http://www.nd.gov/ndic/ogrp-infopage.htm)

North Dakota Petroleum Council  
[www.ndoil.org](http://www.ndoil.org)

Northern Alliance of Independent Producers  
[www.naip.com](http://www.naip.com)

Energy and Environmental Research Center University of North Dakota  
[www.undeerc.org](http://www.undeerc.org)