SALTED LANDS COUNCIL

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September 26, 2025

Karen Tyler, Executive Director
Kelly Armstrong, Governor
North Dakota Industrial Commission
State Capitol – 14th Floor
600 East Boulevard Avenue, Dept. 405
Bismarck, ND 58505-0840

Thomas Beadle
Office of State Treasurer
State Capitol – Third Floor
600 East Boulevard Avenue, Dept. 120
Bismarck, ND 58505-0600

Brian Kroshus
Office of State Tax Commissioner
600 East Boulevard Avenue, Dept. 127
Bismarck, ND 58505-0599

Joshua C. Gallion
North Dakota State Tax Auditor
State Capitol – Third Floor
600 East Boulevard Avenue, Dept. 120
Bismarck, ND 58505-0600

Re: Claw Back of $2.61 Billion to $5.2 Billion from the $53 Billion Hess–Chevron Merger

Dear Ladies and Gentlemen:

The Salt Contaminated Land and Water Council (Salted Lands) was founded by a third-generation McKenzie County rancher and farmer, Donny Nelson. Salted Lands is an educational non-profit organized to raise awareness for the importance of land stewardship for salt contaminated lands caused by oil production.

For three generations, Donny Nelson's family has been burdened by the booms and busts of the oil industry, and that especially means Hess and its predecessor, Texaco. As a reminder, surface owners often do not own the mineral rights below the surface and have no choice but to allow their land to be sited for oil development.

Stewardship of 3,762 Hess wells on 1,740 unique sites impacting North Dakota surface estate will require at least $2.61 Billion to $5.2 Billion of the $53 billion Hess–Chevron merger. You are managers of trust property. Unfortunately, your predecessors failed to fund or even require surrender of bonds for land remediation, and it's left upon you to make the difficult decisions to ensure that the land is returned to its original condition. You now have the opportunity—and duty—to safeguard our land for future generations.

Trust Duties: If the North Dakota Supreme Court requires a plan for cleaning up our state's water, so also there must be a plan for cleaning up our surface estate. Trust officers do not have unfettered discretion. They are required to plan for the beneficial use of property held in trust for the people of North Dakota—human beings, not merely corporate entities.

Bonding System Failure: North Dakota's assurance bonding system secures only about 1% of the true cost of plugging and reclamation. The Industrial Commission has already turned to federal funds—$30 million to plug 327 wells and partially restore 147 sites—yet no transparent calculation has ever been made of the true cost of plugging a Bakken horizontal well.

Experts: Our founder, Donny Nelson, and his family have compelled and carried out well restoration on their own lands. Gary Swick, Data Scientist, considered Nelson's business records of efforts he made with Hess to restore his land, and further used artificial intelligence, drone technology, and big data analytics to come to the following conclusions:

1. The Department of Mineral Resources admits that no frack well site has ever been reclaimed in North Dakota.
2. The present cost to restore all Hess-impacted acres in North Dakota, likely 90% of which relate to frack well sites, is at least $2.61 Billion.
3. That figure does not include plugging the bore holes themselves.

Carbon Tracker estimated North Dakota's exposure to unfunded plugging and reclamation costs at $8 billion in 2020. With longer laterals and mega-sites since then, the liability has only grown.

Chevron's Record: In Ecuador, Chevron successfully voided an $18 billion judgment, later reduced to $9.5 billion. The Lago Agrio oil field in northeastern Ecuador has never been cleaned up. Chevron was successful and paid only $40 million to Equinor, its partner in the Amazon development (Chevron/Ecuador litigation, or Aguinda v. Texaco, Inc.). In California, Chevron litigated for 13 years even after a jury found them liable for damages to an oil field and sink hole that killed a Chevron employee – 13 years after a jury verdict for $120 million in damages (TRC Operating Co. v. Chevron). In Louisiana, a jury found Chevron liable for $744.6 million in environmental damages to wetlands (Plaquemines Parish v. Chevron (2025)); Chevron has said it will appeal. According to a Colorado lawsuit (McCormick et al. v. HRM Resources, LLC et al), wells originally owned by Chevron were sold to HRM Resources, who transferred them to Painted Pegasus Petroleum (a thinly capitalized company), who went bankrupt, leaving over 200 orphaned wells for the state to clean up. This is Chevron's record. North Dakota must not become the next victim.

Our Request: We urge the Industrial Commission, the Treasurer, and the Tax Commissioner to co-chair a multi-agency study group (Ag Department, DEQ, DMR, PSC, School Land Trust, and Water Commission) to:

1. Require an onsite assessment of each Hess well site, vertically and horizontally, to describe the hazardous waste plumes of brine, radioactive substances, and residual chemicals that impair the productivity of the surface estate.

2. Mandate holdbacks of trust funds, to be deposited in the Bank of North Dakota, sufficient to cover plugging and reclamation costs.
3. Acknowledge the surface estate is a trust property, ensuring taxpayers, landowners and the next generations interest in food produced by the surface estate are not lost to unfunded liabilities.

If the State waits until after Chevron (or its spin-off successors) have extracted more oil from the ground, it will only ensure a long-term battle to try to recoup monies from resource-poor, bankrupted, last-holder developers to return North Dakota's farmlands and wetlands to original condition. The law required Hess and Chevron to disclose its Asset Retirement Obligations inherent in this merger. They did not; that is typical of Chevron, which Chevron has proven again and again it wants to avoid ARO.

If Chevron can spend $53 billion to acquire Hess, it should deposit at least $5.2 billion in an interest-bearing account at the Bank of North Dakota. This sum does not include plugging costs to comply with enforcement of our laws. By allowing evasion, the State condemns private property and devastates the agricultural economy. The law requires complete remediation of salt-contaminated land and water.

Respectfully,

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