

**Sixty-Seventh Legislative Assembly of North Dakota**  
House of Representatives  
Energy and Natural Resources Committee

Clean Sustainable Energy Legacy Authority - HB 1452  
Kevin Black Testimony  
January 28, 2020

Mr. Chairman and members of the Energy and Natural Resources Committee, thank you for the opportunity to provide testimony in favor of House Bill 1452, an act to create a Clean Sustainable Energy Legacy Authority. My name is Kevin Black, and I serve as Co-Founder and CEO of Creedence Energy Services, the Williston Basin's leading, local oil and gas production chemical provider. Our business was founded by my two cousins, Wyatt and Malachi Black, and I in 2015, and we have grown the business to over 70 team members including engineers, chemists, professional drivers, field technicians, and support staff with locations in Williston, Dickinson, and Minot, ND, and also in the Permian Basin.

As a life-long North Dakotan and business owner, I would like to illustrate why this bill is essential to the future sustainability of our industry and the critical tax base it provides. Consider our business, Creedence, for example. We operate in a highly technical and constantly evolving space within the world of chemistry, and I am proud to say that we have developed, right here in North Dakota, some of the most advanced corrosion and scale inhibitors on the market, chemistries essential to the sustained production of oil and gas wells. We compete against the largest national and multinational companies in the world and have proven that cutting edge technology can be developed in our state, rather than in the traditional R&D centers like Texas and Oklahoma.

However, technology continues to evolve at a blistering pace, and our state needs a relevant, vibrant, and successful oil and gas industry. Thus, it is not enough to rest on our past laurels. To remain relevant and an attractive target of investors, we must be competitive on a national stage against other oil plays, namely the Permian Basin. I can personally attest, through our growth into Texas, to the fact that ND is absolutely in competition for capital with the Permian every single day, and I believe that North Dakota's competitive advantage lies in the efficacy of our innovation and commitment to finding sustainable solutions.

Case and point – since the COVID pandemic and crash of oil prices, Creedence has been in collaboration to develop an innovative, novel biosurfactant for use in enhanced oil recovery. I will spare the committee a lesson in chemistry, but with approval by the North Dakota Industrial Commission yesterday to fund trials, we believe this chemistry can enhance oil production on our state's aging wells, potentially flattening, or even reversing the production decline you are all acutely aware of in Bakken/Three Forks wells.

But there is an even more exciting component that ties directly to HB 1452. The biosurfactants we propose are a class of sophorolipids, which are synthesized biogenically. In other words, they are manufactured by a proprietary fermentation process, similar to how yeast and bacteria in other fermentation processes produce alcohol. The major components in this process are two of North Dakota's largest crops – sugar from sugar beets in the Red River Valley and canola from across the prairie. This patented process yields highly concentrated, surface-active, and biodegradable surfactants

that can be produced by using scalable and modular systems that do not require the extensive permitting nor pose the environment risk of traditional petrochemical manufacturing facilities.

In other words, if proven successful, we could develop a bridge between oil and gas and the agriculture community, right here in North Dakota, through value added manufacturing in the pursuit of enhancing oil production and supporting our state's base economies.

However, these technological leaps forward do not happen on their own, and this bill would create a springboard for the innovation necessary for furthering North Dakota's markets and exports, including our project. Every two years, thousands of North Dakota workers look toward leaders in industry and government to work together, so that entrepreneurs can find the solutions to the big challenges we face in our modern economy and current political environment. These types of innovations and scientific breakthroughs are the keys to unlocking the next decade of clean, sustainable, and low carbon energy production. Thank you for the consideration of my testimony, and I encourage you to vote in support of HB 1452. I am happy to stand for any questions.