

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1102

Introduced by

Natural Resources Committee

(At the request of the Geological Survey)

1 A BILL for an Act to amend and reenact subdivision d of subsection 1 of section 38-08-04,
2 subdivision a of subsection 1 of section 38-12-02, subdivision a of subsection 1 of
3 section 38-12.1-04, and subdivision d of subsection 1 of section 38-19-03 of the North Dakota
4 Century Code, relating to an election to deposit cash or property in lieu of a bond for coal
5 exploration, subsurface mineral exploration and development, and geothermal production.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Subdivision d of subsection 1 of section 38-08-04 of the
8 North Dakota Century Code is amended and reenacted as follows:

9 d. The furnishing of a reasonable bond with good and sufficient surety,
10 conditioned upon the full compliance with this chapter, and the rules and
11 orders of the industrial commission ~~prescribed to govern the production of oil~~
12 ~~and gas on public and private lands within the state~~, except that if the
13 commission requires a bond to be furnished, the person required to furnish
14 the bond may elect to deposit ~~cash or property~~ under such terms and
15 conditions as the industrial commission may prescribe a collateral bond,
16 self-bond, cash, or any alternative form of security approved by the
17 commission, or combination thereof, by which an operator assures faithful
18 performance of all requirements of this chapter and the rules and orders of
19 the industrial commission.

20 **SECTION 2. AMENDMENT.** Subdivision a of subsection 1 of section 38-12-02 of the
21 North Dakota Century Code is amended and reenacted as follows:

22 a. The furnishing of a reasonable bond with good and sufficient surety,
23 conditioned upon the full compliance with the provisions of this chapter, and
24 the rules and ~~regulations~~ orders of the commission prescribed to govern the

1 exploration, development, and production of subsurface minerals on state and
2 private lands within the state of North Dakota. The person required to furnish
3 the bond may elect to deposit a collateral bond, self-bond, cash, or any
4 alternative form of security approved by the commission, or combination
5 thereof, by which a permittee assures faithful performance of all requirements
6 of this chapter and the rules and orders of the industrial commission.

7 **SECTION 3. AMENDMENT.** Subdivision a of subsection 1 of section 38-12.1-04 of the
8 North Dakota Century Code is amended and reenacted as follows:

- 9 a. The furnishing of a reasonable bond with good and sufficient surety,
10 conditioned upon the full compliance with the provisions of this chapter, and
11 the rules and ~~regulations~~ orders of the commission prescribed to govern the
12 exploration for coal on state and private lands and roads used in coal
13 exploration within the state of North Dakota. The person required to furnish
14 the bond may elect to deposit a collateral bond, self-bond, cash, or any
15 alternative form of security approved by the commission, or combination
16 thereof, by which a permittee assures faithful performance of all requirements
17 of this chapter and the rules and orders of the industrial commission.

18 **SECTION 4. AMENDMENT.** Subdivision d of subsection 1 of section 38-19-03 of the
19 North Dakota Century Code is amended and reenacted as follows:

- 20 d. The furnishing of a reasonable bond with good and sufficient surety,
21 conditioned upon the full compliance with this chapter and the rules and
22 orders of the commission relating to the extraction of geothermal energy. The
23 person required to furnish the bond may elect to deposit a collateral bond,
24 self-bond, cash, or any alternative form of security approved by the
25 commission, or combination thereof, by which a permittee assures faithful
26 performance of all requirements of this chapter and the rules and orders of
27 the industrial commission.