

Sixtieth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1511

Introduced by

Representatives S. Meyer, Drovdal, Keiser, Onstad

Senator Heitkamp

1 A BILL for an Act to amend and reenact subdivision d of subsection 1 of section 38-08-04 of the
2 North Dakota Century Code, relating to bonding requirements for idle oil and gas wells.

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

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

6 d. The furnishing of a reasonable bond with good and sufficient surety,
7 conditioned upon the full compliance with this chapter, and the rules and
8 orders of the industrial commission, except that if a well has not produced oil
9 or natural gas in paying quantities for one year that well must be placed in
10 abandoned well status and returned to production, plugged and reclaimed,
11 properly temporarily abandoned, or placed on a single well bond equal to the
12 full cost of plugging and reclamation. If after one year in abandoned well
13 status a well has not been returned to production, plugged and reclaimed, or
14 properly temporarily abandoned, the bond for that well and title to all
15 equipment and salable oil on the well site are immediately forfeited to the
16 commission. If the commission requires a bond to be furnished, the person
17 required to furnish the bond may elect to deposit under such terms and
18 conditions as the industrial commission may prescribe a collateral bond,
19 self-bond, cash, or any alternative form of security approved by the
20 commission, or combination thereof, by which an operator assures faithful
21 performance of all requirements of this chapter and the rules and orders of the
22 industrial commission.