

March 17, 2011

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1241

Page 1, line 4, remove the first "and"

Page 1, line 4, after "sections" insert "38-11.1-02,"

Page 1, line 4, after "38-11.1-04" insert ", 38-11.1-08,"

Page 1, line 6, after "production" insert ", agreement with offer of settlement,"

Page 1, line 6, after "royalties" insert "; to repeal section 38-11.1-05 of the North Dakota Century Code, relating to notice of oil and gas drilling operations; and to provide an effective date"

Page 1, after line 7, insert:

"SECTION 1. AMENDMENT. Section 38-11.1-02 of the North Dakota Century Code is amended and reenacted as follows:

38-11.1-02. Purpose and interpretation.

It is the purpose of this chapter to provide the maximum amount of constitutionally permissible protection to surface owners and other persons from the undesirable effects of development of minerals. This chapter is to be interpreted in light of the legislative intent expressed herein. Sections 38-11.1-04 and ~~38-11.1-05~~38-11.1-04.1 must be interpreted to benefit surface owners, regardless of whether the mineral estate was separated from the surface estate and regardless of who executed the document which gave the mineral developer the right to conduct drilling operations on the land. Sections 38-11.1-06 through 38-11.1-10 must be interpreted to benefit all persons."

Page 3, after line 9, insert:

"SECTION 4. AMENDMENT. Section 38-11.1-08 of the North Dakota Century Code is amended and reenacted as follows:

38-11.1-08. Agreement - Offer of settlement.

Unless both parties provide otherwise by written agreement, at the time the notice required by ~~section 38-11.1-05~~subsection 2 of section 38-11.1-04.1 is given, the mineral developer shall make a written offer of settlement to the person seeking compensation for damages when the notice required by ~~section 38-11.1-05~~subsection 2 of section 38-11.1-04.1 is given. The person seeking compensation may accept or reject any offer so made."

Page 4, line 8, overstrike "from initial" and insert immediately thereafter "after"

Page 4, line 8, after "production" insert "is marketed"

Page 4, line 9, after "operator" insert "thereafter"

Page 4, after line 24, insert:

"SECTION 7. REPEAL. Section 38-11.1-05 of the North Dakota Century Code is repealed.

SECTION 8. EFFECTIVE DATE. Sections 2 and 5 of this Act become effective for drilling operations commenced after July 31, 2011."

Renumber accordingly