

February 8, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1333

Page 1, line 1, replace "two" with "three"

Page 1, line 3, after "reenact" insert "subsection 2 of section 38-08-04,"

Page 1, line 4, replace the first "subsection" with "subsections 1 and"

Page 1, line 4, replace the "and" with "subsection 6 of section 38-08-15, subsection 1 of section 38-08-16, section 38-08-23, and"

Page 1, line 5, after "to" insert "saltwater disposal wells, the abandoned oil and gas well plugging and site reclamation fund,"

Page 1, line 5, after "facilities" insert a comma

Page 1, line 8, replace "Two" with "Three"

Page 1, after line 18, insert:

""Underground gathering pipeline" means an underground gas or liquid pipeline that is designed for or capable of transporting crude oil, natural gas, carbon dioxide, or water produced in association with oil and gas which is not subject to chapter 49-22.

SECTION 2. AMENDMENT. Subsection 2 of section 38-08-04 of the North Dakota Century Code is amended and reenacted as follows:

2. To regulate:

- a. The drilling, producing, and plugging of wells, the restoration of drilling and production sites, and all other operations for the production of oil or gas.
- b. The shooting and chemical treatment of wells.
- c. The spacing of wells.
- d. Operations to increase ultimate recovery such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into producing formations.
- e. Disposal of saltwater and oilfield wastes.
- f. Saltwater disposal wells and all associated facilities, including safety relating to location and road access to disposal wells and all associated facilities.
- g. The underground storage of oil or gas.

Page 2, after line 27, insert:

"SECTION 4. AMENDMENT. Subsection 1 of section 38-08-04.5 of the North Dakota Century Code is amended and reenacted as follows:

1. Revenue to the fund must include:
 - a. Fees collected by the oil and gas division of the industrial commission for permits or other services.
 - b. Moneys received from the forfeiture of drilling and reclamation bonds.
 - c. Moneys received from any federal agency for the purpose of this section.
 - d. Moneys donated to the commission for the purposes of this section.
 - e. Moneys received from the state's oil and gas impact fund.
 - f. Moneys recovered under the provisions of section 38-08-04.8.
 - g. Moneys recovered from the sale of equipment and oil confiscated under section 38-08-04.9.
 - h. Moneys transferred from the cash bond fund under section 38-08-04.11.
 - i. Such other moneys as may be deposited in the fund for use in carrying out the purposes of plugging or replugging of wells or the restoration of well sites.
 - j. Civil penalties assessed under section 38-08-16."

Page 3, after line 5, insert:

"SECTION 6. AMENDMENT. Subsection 6 of section 38-08-15 of the North Dakota Century Code is amended and reenacted as follows:

6. All proceeds derived from the sale of illegal oil, illegal gas, or illegal product, as above provided, after payment of costs of suit and expenses incident to the sale ~~and all amounts paid as penalties provided for by this chapter~~ must be paid to the state treasurer and credited to the general fund.

SECTION 7. AMENDMENT. Subsection 1 of section 38-08-16 of the North Dakota Century Code is amended and reenacted as follows:

1. Any person who violates any provision of this chapter, or any rule, regulation, or order of the commission is subject to a civil penalty to be imposed by the commission not to exceed twelve thousand five hundred dollars for each offense, and each day's violation is a separate offense, unless the penalty for the violation is otherwise specifically provided for and made exclusive in this chapter. Any such civil penalty may be compromised by the commission. All amounts paid as civil penalties must be deposited in the abandoned oil and gas well plugging and site reclamation fund. The penalties provided in this section, if not paid, are recoverable by suit filed by the attorney general in the name and on behalf of the commission, in the district court of the county in which the defendant resides, or in which any defendant resides, if there be more than one defendant, or in the district court of any county in which the violation

occurred. The payment of the penalty may not operate to legalize any illegal oil, illegal gas, or illegal product involved in the violation for which the penalty is imposed, or to relieve a person on whom the penalty is imposed from liability to any other person for damages arising out of the violation.

SECTION 8. AMENDMENT. Section 38-08-23 of the North Dakota Century Code is amended and reenacted as follows:

38-08-23. Plats.

Any person reclaiming a drilling pit or reserve pit after the completion of oil and gas drilling operations shall record an accurate plat certified by a registered surveyor showing the location of the well and notice that an abandoned drilling pit or reserve pit may be on the location within six months of the completion of the reclamation with the recorder of the county in which the drilling pit or reserve pit is located. A plat filed for record in accordance with this section may be recorded without acknowledgment or further proof as required by chapter 47-19 and without the auditor's certificate referred to in section 11-18-02."

Page 4, after line 2, insert:

"4. Upon request by the tax commissioner, the commission may allow access to information contained in the geographic information system database to the tax commissioner to be used for the sole purpose of administering the valuation and assessment of centrally assessed underground gathering pipeline property under chapter 57-06. The information obtained under this subsection is confidential and may be used only for the purposes identified in this subsection."

Renumber accordingly