

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1390

Introduced by

Representative Keiser

1 A BILL for an Act to create and enact a new section to chapter 23-20.3 and chapter 23-48 of the
2 North Dakota Century Code, relating to licensing of commercial drill cuttings recyclers and
3 commercial recyclers of water from an oil and gas drilling operation.

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

5 **SECTION 1.** A new section to chapter 23-20.3 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Causes of action against well operators restricted for recycling drill cuttings or water**
8 **from a drilling operation.**

9 Upon delivery of drill cuttings or water from an oil and gas well drilling operation to a
10 commercial recycler or recycling facility for drill cuttings or water from a drilling operation, which
11 is licensed under chapter 23-48 and is not affiliated with the well operator, and acceptance of
12 the drill cuttings or water from a drilling operation by the recycler or recycling facility, the well
13 operator is not liable in any civil or criminal action for any subsequent disposal or reuse of the
14 drill cuttings or water from a drilling operation or any material contained in the drill cuttings or
15 water from a drilling operation. This section does not create any new cause of action for
16 damages on behalf of third parties for any subsequent disposal or reuse of the drill cuttings or
17 water from a drilling operation or any material contained in the drill cuttings or water from a
18 drilling operation.

19 **SECTION 2.** Chapter 23-48 of the North Dakota Century Code is created and enacted as
20 follows:

21 **23-48-01. Licensing of commercial drill cuttings or water recyclers - Fees.**

22 The state department of health shall license commercial drill cuttings recycling facilities or
23 commercial water from an oil and gas well drilling operation recycling facilities and may charge

1 a license fee established by rule commensurate with the cost to the department of licensing and
2 facility inspections.

3 **23-48-02. Rules.**

4 The state department of health shall adopt rules under chapter 28-32 governing operations
5 of commercial drill cuttings recycling facilities or commercial water from an oil and gas well
6 drilling operation recycling facilities. The rules must be adopted to assure compliance with
7 federal and state laws and rules for protection of the state's water and air and public health in
8 the handling and subsequent use of drill cuttings or water from an oil and gas well drilling
9 operation.

10 **23-48-03. Examination of records and property.**

11 Upon presentation of official credentials, an employee authorized by the state department of
12 health may:

- 13 1. Examine the premises and facilities and copy books, papers, records, memoranda, or
14 data of a commercial drill cuttings recycling facility or commercial water from an oil and
15 gas well drilling operation recycling facility.
- 16 2. Enter upon public or private property for the purpose of taking action authorized by this
17 chapter and rules adopted under this chapter, including obtaining information from any
18 person, conducting surveys and investigations, and taking corrective action.

19 **23-48-04. Responsibility for cost of inspection and corrective action.**

20 The owner or operator of a commercial drill cuttings recycling facility or commercial water
21 from an oil and gas well drilling operation recycling facility is liable for the cost of any inspection
22 and corrective action required by the state department of health.

23 **23-48-05. Commercial drill cuttings or water from an oil and gas well drilling**
24 **operation recycler bond.**

25 As a condition of licensure, the state department of health may require that a drill cuttings
26 recycling facility or commercial water from an oil and gas well drilling operation recycling facility
27 must post a bond payable to the state in a sufficient amount for remediation of any release or
28 disposal of materials or water in violation of the rules adopted by the department.