

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1390

Introduced by

Representative Keiser

1 A BILL for an Act to create and enact section 23-29-04.2 of the North Dakota Century Code,
2 relating to licensing of commercial oilfield special waste recyclers of oilfield special waste from
3 oil and gas drilling and production operations.

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

5 **SECTION 1.** Section 23-29-04.2 of the North Dakota Century Code is created and enacted
6 as follows:

7 **23-29-04.2. Commercial oilfield special waste recyclers - Action against well**
8 **operators restricted.**

9 The state department of health shall license commercial oilfield special waste recyclers and
10 may charge a license fee established by rule commensurate with the cost to the department of
11 licensing and inspections. As a condition of obtaining and maintaining a license, a commercial
12 oilfield special waste recycler and each recycling facility licensed under this chapter must
13 extract and convert to a beneficial use at least sixty-five percent by weight of the solid oilfield
14 special waste received by the recycler or recycling facility.

15 The health council shall adopt rules under chapter 28-32 governing operations of
16 commercial oilfield special waste recyclers. The rules must be adopted to assure compliance
17 with federal and state laws and rules for protection of the state's water and air and public health
18 in the handling and subsequent use of oilfield special waste.

19 1. Upon presentation of official credentials, an employee authorized by the state
20 department of health may:

21 a. Examine the premises and facilities and copy books, papers, records,
22 memoranda, or data of a commercial oilfield special waste recycler.

23 b. Enter upon public or private property for the purpose of taking action authorized
24 by this chapter and rules adopted under this chapter, including obtaining

1 information from any person, conducting surveys and investigations, and taking
2 corrective action.

3 c. The commercial oilfield special waste recycler is liable for the cost of any
4 inspection and corrective action required by the state department of health.

5 2. As a condition of licensure, the state department of health may require that a
6 commercial oilfield special waste recycler must post a bond payable to the state in a
7 sufficient amount for remediation of any release or disposal of oilfield special waste in
8 violation of the rules of the department, on the premises or property of the facility or at
9 a place where treated or untreated materials from the facility are taken for use or
10 disposal.

11 3. As used in this section:

12 a. "Commercial oilfield special waste recycler" means a commercial recycling facility
13 licensed under this chapter for extraction of reusable solids and fluids from any or
14 all types of oilfield special waste.

15 b. "Drilling operation" means oil and gas drilling and production operations and any
16 associated activities that generate oilfield special waste.

17 c. "Oilfield special waste" means waste associated with oil and gas drilling
18 operations, exploration, development, or production and specifically includes drill
19 cuttings, saltwater, and other solids and fluids from drilling operations.

20 4. Upon delivery of oilfield special waste to a commercial oilfield special waste recycler,
21 which is licensed under this section and is not affiliated with the well operator;
22 acceptance of the oilfield special waste by the recycler; and after the oilfield special
23 waste has been treated and converted to a beneficial use as a usable product or
24 legitimate substitute for a usable product, the well operator is not liable in any civil or
25 criminal action for any subsequent claim or charge regarding the material converted to
26 a beneficial use.

27 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the general
28 fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the
29 sum as may be necessary, to the state department of health for the purpose of increased
30 staffing needs to assist in completion of the department's duties to develop and adopt rules,
31 conduct inspections, and perform other duties under section 23-29-04.2, for the biennium

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- 1 beginning July 1, 2015, and ending June 30, 2017. The state department of health is authorized
- 2 one full-time equivalent position for this purpose.