

March 13, 2025

Testimony Presented by: **Cody VanderBusch, Reclamation Specialist**
Department of Mineral Resources

Presented to: **House Agriculture Committee**
Representative Mike Beltz, Chair

SENATE BILL 2368

Introduced by:

Senator Kessel and Patten
Representatives Kempenich and J. Olson

SECTION 1. AMENDMENT. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

Grasslands grazing grant program.

1. The agriculture commissioner shall administer a grasslands grazing grant program to provide grants to organizations representing cooperative grazing associations in the state.
2.
 - a. An organization that receives a grant under this program may distribute the funding to cooperative grazing associations for eligible infrastructure projects, which must be located on national grasslands within the state.
 - b. Eligible infrastructure projects include:
 - (1). Water development.
 - (2). Fencing.
 - (3). Conservation initiatives.
 - (4). Compliance with federal permitting requirements, including fees for professional services.
 - (5). Other projects to enhance wildlife habitat or capture carbon, or to increase the health of grasslands.
 - c. Program participants shall develop and implement a grazing land plan in compliance with local soil conservation district guidance, and the plan must be approved by the local soil conservation district.
3. To be eligible for a grant, an organization shall provide one dollar of matching funds from nonstate sources for every four dollars of grant funding. The agriculture commissioner shall establish additional guidelines for the program.

Mark F. Bohrer
ASSISTANT DIRECTOR
OIL AND GAS DIVISION

Nathan D. Anderson
DIRECTOR
DEPT. OF MINERAL RESOURCES

Edward C. Murphy
STATE GEOLOGIST
GEOLOGICAL SURVEY

TESTIMONY

- 1) NDAC 43-02-03-35 allows conversion of mineral wells to freshwater wells
- 2) Use for individual domestic and livestock use does not need conditional water permit
- 3) DMR, United States Forest Service (USFS), and Bureau of Land Management (BLM) are finalizing a memorandum of understanding to define process for grazing associations, USFS, BLM, and DMR to work cooperatively to identify and facilitate process of conversion of oil wells to freshwater wells
- 4) DMR determines if oil well constructed in such a manner that allows conversion, must have surface casing set into Pierre Formation
- 5) NDAC 43-02-03-35 requires DMR to hold a hearing
- 6) DMR and BLM if applicable approve plugging procedures to properly plug the downhole portion of the well and detail the cutting and pulling of the longstring casing, setting of isolation plugs, and cleanup of the surface casing
- 7) Wireline contractor logs the surface casing to aid in identification of where to perforate the Fox Hills Formation
- 8) Water well driller familiar with local geology identifies where to perforate
- 9) Have been perforating approximately 40 feet depending on thickness of Fox Hills Formation
- 10) Water well driller performs 24 hour pump test to determine quantity of water present
- 11) Pump is installed and either a pit less system with curb stop is installed for pipeline system or the well is set up to run to a tank
- 12) Water tanks and hydrants can be installed to supply rural fire trucks
- 13) Well site and access road is reclaimed with USFS approval or DMR approval on private or state surface that stills allows access to well site
- 14) Cooperation with power provider to maintain power to site
- 15) Release forms required if federal minerals
- 16) Water well is an allotment range improvement project between the USFS and grazing association
- 17) 11 wells converted in 2024 at approximately \$40,000 per well
- 18) Plan to install 5 pumps in 2025 ranging in cost from \$25,000 to \$40,000 per well
- 19) Static water levels observed between 200 feet and 400 feet
- 20) Wells have been pumped between 10 to 12 gallons per minute
- 21) Program is a win-win for landowners that get a water well after tolerating oil well activity
- 22) Have had operators reach out to DMR when getting ready to plug an oil well after hearing about grant program established by ND Legislative Assembly during special session in SB 2345
- 23) SB 2345 appropriated \$3,200,000 for program but we encountered such enthusiasm and cooperation from wireline contractors, water well drillers, and oil well operators that we only spent or will have spent approximately \$746,222 and turned the remainder back to OMB