

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1511

Introduced by

Representatives S. Meyer, Drovdal, Keiser, Onstad

Senator Heitkamp

1 A BILL for an Act to create and enact a new subdivision to subsection 1 of section 38-08-04 of
2 the North Dakota Century Code, relating to bonding requirements for idle oil and gas wells.

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

4 **SECTION 1. AMENDMENT.** A new subdivision to subsection 1 of section 38-08-04 of
5 the North Dakota Century Code is created and enacted as follows:

6 The placing of wells in abandoned-well status which have not produced oil or
7 natural gas in paying quantities for one year. A well in abandoned-well status
8 must be promptly returned to production in paying quantities, approved by the
9 commission for temporarily abandoned status, or plugged and reclaimed
10 within six months. If none of the three preceding conditions are met, the
11 industrial commission may require the well to be placed immediately on a
12 single-well bond in an amount equal to the cost of plugging the well and
13 reclaiming the well site. In setting the bond amount, the commission shall use
14 information from recent plugging and reclamation operations. After a well has
15 been in abandoned-well status for one year, the well's equipment, all
16 well-related equipment at the well site, and salable oil at the well site are
17 subject to forfeiture by the commission. If the commission exercises this
18 authority, section 38-08-04.9 applies. After a well has been in
19 abandoned-well status for one year, the single-well bond referred to above, or
20 any other bond covering the well if the single-well bond has not been
21 obtained, is subject to forfeiture by the commission.