

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1348**

Introduced by

Representatives Froseth, Drovdal, Hunskor, Kempenich, Monson

Senators Andrist, Laffen

1 A BILL for an Act to amend and reenact section 38-08-05 of the North Dakota Century Code,
2 relating to setbacks for oil and gas wells.

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

4 **SECTION 1. AMENDMENT.** Section 38-08-05 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **38-08-05. Drilling permit required.**

7 1. It is unlawful to A person may not commence operations for the drilling of a well for oil
8 or gas without first obtaining a permit from the industrial commission under such rules
9 as may be prescribed adopted by the commission and paying to the commission a fee
10 for each such well in an amount to be prescribed determined by the commission. The
11 applicant shall provide notice to the owner of any permanently occupied dwelling
12 located within ~~one-quarter mile~~ one thousand three hundred twenty feet [402.34
13 meters] of the proposed oil or gas well.

14 2. Unless waived by the owner or if the commission determines that the well location is
15 reasonably necessary to prevent waste or to protect correlative rights, the commission
16 may not issue a drilling permit for an oil or gas well that will be located within five
17 hundred feet [152.4 meters] of an occupied dwelling. If the commission issues a
18 drilling permit for a location within ~~five hundred~~ one thousand feet [~~152.4~~ 300.48 meters]
19 of an occupied dwelling, the commission may impose such conditions on the permit
20 as:

21 a. For wells permitted on new pads built after July 31, 2013, the conditions imposed
22 under this subdivision may include, upon request of the owner of the permanently
23 occupied dwelling, requiring that the location of all flares, tanks, and treaters
24 utilized in connection with the permitted well be located at a greater distance from

- 1 the occupied dwelling than the oil and gas well bore if the location can be
- 2 accommodated reasonably within the proposed pad location; or
- 3 b. As the commission determines reasonably necessary to minimize impact to the
- 4 owner of the occupied dwelling.