

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1355

Introduced by

Representatives Keiser, Drovdal, Hunskor, Boe

Senators Andrist, Laffen

1 A BILL for an Act to create and enact a new section to chapter 47-16 of the North Dakota
2 Century Code, relating to definition of commencement of drilling operations.

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

4 **SECTION 1.** A new section to chapter 47-16 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Commencement of drilling operations - Definition.**

7 1. This section applies to an oil and gas lease executed after July 31, 2013. As used in
8 an oil and gas lease, unless otherwise expressly provided in the oil and gas lease, the
9 terms "engaged in drilling or reworking operations" or "commence drilling or reworking
10 operations" mean:

- 11 a. Well site preparation, staking, and surveying in connection with the drilling of a
12 well on the leased premises or lands pooled must occur before the expiration of
13 the primary term.
- 14 b. The drill site must be substantially completed and in a condition that a drilling rig
15 can be moved on the location within fifteen days of the expiration of the primary
16 term.
- 17 c. For one well located on a single well drilling pad, a drilling rig capable of drilling to
18 at least the total vertical depth permitted must be located at the site within
19 forty-five days of the expiration of the primary term.
- 20 d. For multiple wells located on a drilling pad constructed for two or more wells, a
21 drilling rig capable of drilling to at least the total vertical depth must be located at
22 the site within ninety days of the expiration of the primary term.

- 1 2. If the activities required under this section are delayed or interrupted by event of force
- 2 majeure, the time of such delay or interruption during the force majeure event must be
- 3 added to the deadlines set forth in this section.