

**HOUSE BILL NO. 1151**

Introduced by

Representatives Streyle, Dockter, Lefor

Senators O. Larsen, Schaible, Unruh

1 A BILL for an Act to amend and reenact section 38-08-04 of the North Dakota Century Code,  
2 relating to the reporting of well pad or oil and gas production facility fluid spills.

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

4 **SECTION 1. AMENDMENT.** Section 38-08-04 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **38-08-04. Jurisdiction of commission.**

7 1. The commission has continuing jurisdiction and authority over all persons and  
8 property, public and private, necessary to enforce effectively the provisions of this  
9 chapter. The commission has authority, and it is its duty, to make such investigations  
10 as it deems proper to determine whether waste exists or is imminent or whether other  
11 facts exist which justify action by the commission. The commission has the authority:

12 4. a. To require:

13 a. (1) Identification of ownership of oil or gas wells, producing leases, tanks,  
14 plants, structures, and facilities for the transportation or refining of oil and  
15 gas.

16 b. (2) The making and filing with the industrial commission of all resistivity,  
17 radioactivity, and mechanical well logs and the filing of directional surveys, if  
18 taken, and the filing of reports on well location, drilling, and production.

19 e. (3) The drilling, casing, operation, and plugging of wells in such manner as to  
20 prevent the escape of oil or gas out of one stratum into another, the  
21 intrusion of water into oil or gas strata, the pollution of freshwater supplies  
22 by oil, gas, or saltwater, and to prevent blowouts, cavings, seepages, and  
23 fires.



1 need not be notarized but must be signed by the person submitting the  
2 report.

3 j- (10) The payment of fees for services performed. The amount of the fee shall be  
4 set by the commission based on the anticipated actual cost of the service  
5 rendered. Unless otherwise provided by statute, all fees collected by the  
6 commission must be deposited in the general fund of this state, according to  
7 procedures established by the state treasurer.

8 k- (11) The filing free of charge of samples and core chips and of complete cores  
9 when requested in the office of the state geologist within six months after  
10 the completion or abandonment of the well.

11 l- (12) The placing of wells in abandoned-well status which have not produced oil  
12 or natural gas in paying quantities for one year. A well in abandoned-well  
13 status must be promptly returned to production in paying quantities,  
14 approved by the commission for temporarily abandoned status, or plugged  
15 and reclaimed within six months. If none of the three preceding conditions  
16 are met, the industrial commission may require the well to be placed  
17 immediately on a single-well bond in an amount equal to the cost of  
18 plugging the well and reclaiming the well site. In setting the bond amount,  
19 the commission shall use information from recent plugging and reclamation  
20 operations. After a well has been in abandoned-well status for one year, the  
21 well's equipment, all well-related equipment at the well site, and salable oil  
22 at the well site are subject to forfeiture by the commission. If the commission  
23 exercises this authority, section 38-08-04.9 applies. After a well has been in  
24 abandoned-well status for one year, the single-well bond referred to above,  
25 or any other bond covering the well if the single-well bond has not been  
26 obtained, is subject to forfeiture by the commission. A surface owner may  
27 request a review of the temporarily abandoned status of a well that has  
28 been on temporarily abandoned status for at least seven years. The  
29 commission shall require notice and hearing to review the temporarily  
30 abandoned status. After notice and hearing, the surface owner may request  
31 a review of the temporarily abandoned status every two years.



1           this state which may also be under the jurisdiction of the federal government or a  
2           tribal government. When reporting information resulting from adopting a rule,  
3           issuing an order, or creating a policy that affects locations within this state which  
4           may also be under the jurisdiction of the federal government or a tribal  
5           government, the commission shall provide sufficient information to indicate the  
6           effect of including locations that may also be under the regulatory jurisdiction of  
7           the federal government or a tribal government.

8       6.   f.   To provide for the confidentiality of well data reported to the commission if  
9           requested in writing by those reporting the data for a period not to exceed six  
10          months. However, the commission may release:

11       a.   (1)  Volumes injected into a saltwater injection well.

12       b.   (2)  Information from the spill report on a well on a site at which more than ten  
13           barrels of fluid, not contained on the well site, was released for which an  
14           oilfield environmental incident report is required by law.

15       2.   ~~The commission may not require any person controlling or operating any well, or a~~  
16       ~~facility that handles fluids used in the production of gas or oil, to report to the~~  
17       ~~commission any spill or release of fluid confined to the oil well pad, production facility,~~  
18       ~~or a production-related handling facility if the spill or release of fluid contains ten or~~  
19       ~~fewer barrels of fluid~~A person controlling or operating a well, pipeline, receiving tank,  
20       storage tank, treating plant, or other receptacle or production facility associated with oil  
21       and gas, or with water production, injection, processing, or well servicing, shall report  
22       to the commission any leak, spill, or release of fluid. A report to the commission is not  
23       required if the leak, spill, or release is crude oil, produced water, or natural gas liquids  
24       in a quantity of less than ten barrels cumulative over a fifteen-day time period and  
25       remains on the facility or site and the facility or site has impermeable base material  
26       and containment.

27       3.   Any written violation notice issued by the commission regarding the notification of a  
28       fire, leak, spill, blowout, or leak and spill cleanup must be placed in the well file or  
29       facility file and the files must be available for review by the surface owner.