

Troy Coons  
Northwest Landowners Association  
Energy and Natural Resources Committee  
Testimony for SB 2262  
January 28, 2021



Good morning, Chairman Kreun and members of the committee, thank you for taking my testimony into consideration today.

My name is Troy Coons and I am the Chairman of the Northwest Landowners Association. Northwest Landowners Association represents over 560 farmers, ranchers, and property owners in North Dakota. Northwest Landowners Association is a nonprofit organization, and I am not a paid lobbyist.

I am here to request a “do pass” on SB 2262. There are many wells in North Dakota that are not producing in paying quantities and have not produced in paying quantities for years. Mineral owners who find themselves in this situation have the ability to require production in paying quantities under their mineral lease, but for the surface owner, there may be nothing you can do to address an old well on your land. One of the things the surface owner can do is ask the Industrial Commission to review the well to determine if it should be plugged and abandoned, required to increase production to paying quantities, or put on temporary abandonment status for some reason. Ultimately these decisions are made by the Industrial Commission.

This bill simply allows the landowner to ask the Commission to review the status of a well after it has been sitting idle for two years. The current law requires the landowner to wait seven years. We have seen no justification or reason for this in the legislative history, and our research has found no reason for requiring the landowner to wait this long simply to ask the Commission to take a look at a well. To be clear, this bill does not require the Commission to act in any specific way, and it is ultimately still only a request for the Commission to review the well. There may be times when a well is sitting idle, but an operator actually has plans for it in the future. In those situations, the likely outcome of the review is that the Commission is able to explain to the landowner what the operator has planned, and why the well is not being reclaimed. If there is no reason for the well to be sitting there, then our hope is that the Commission would force the operator to either reactivate the well, or reclaim it. But again, that is still a decision for the Commission – we are only asking that landowners be allowed to request a review every two years. If there are good reasons to keep the well sitting, then the operator can explain that to the Commission and request that the Commission not require plugging and reclamation.

My understanding is that the Commission only hears two or three of these cases per year right now. It is possible that reducing the time period to two years will increase the number of wells reviewed in the short term, and that will be additional work for the Commission. But we are concerned that there is actually a backlog of wells that should be addressed, so it makes sense that there will be some additional reviews. Indeed, that is our hope. I want to repeat, though, that it is still the agency that will decide what happens after such a review.

There are a lot of landowners in this state who are frustrated with old wells sitting on their property, and they often get very little information about it when they approach the operator. We are merely asking you to reopen the doors to the Industrial Commission so we can address our concerns to them. Telling us we can only address our concerns to them after seven years seems like it was intended to shut landowners out. We are simply asking to be allowed back in the room to express our concerns to the Commission.

Thank you for taking the time to consider our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Troy Coons', with a stylized flourish at the end.

Troy Coons, Chairman  
Northwest Landowners Association