



House Bill 1272

Date of Testimony: 3-09-2023

Good morning Chairman Patten and members of the Senate Energy and Natural Resources Committee. I offer the following for informational purposes only:

Abandoned Wells						
Formation	AB Wells	Plug Cost		Reclaim Cost		Plug + Reclaim Cost
		Per Well	Total	Per Well	Total	
Bakken	356	\$140,000	\$49,840,000	\$177,000	\$63,012,000	\$112,852,000
Non-Bakken	297	\$145,833	\$43,312,401	\$127,250	\$37,793,250	\$81,105,651
Total	653		\$93,152,401		\$100,805,250	\$193,957,651

Temporarily Abandoned Wells						
Formation	TA Wells	Plug Cost		Reclaim Cost		Plug + Reclaim Cost
		Per Well	Total	Per Well	Total	
Bakken	108	\$140,000	\$15,120,000	\$177,000	\$19,116,000	\$34,236,000
Non-Bakken	209	\$145,833	\$30,479,097	\$127,250	\$26,595,250	\$57,074,347
Total	317		\$45,599,097		\$45,711,250	\$91,310,347

Bakken Total	\$147,088,000
Non-Bak Total	\$138,179,998
Grand Total	\$285,267,998

Sincerely,
Bruce E. Hicks
Assistant Director
NDIC-DMR-OGD

43-02-03-55. Abandonment of wells, treating plants, underground gathering pipelines, or saltwater handling facilities - Suspension of drilling.

1. The removal of production equipment or the failure to produce oil or gas for one year constitutes abandonment of the well. The removal of production equipment or the failure to produce water from a source well for one year constitutes abandonment of the well. The removal of injection equipment or the failure to use an injection well for one year constitutes abandonment of the well. The failure to plug a stratigraphic test hole within one year of reaching total depth constitutes abandonment of the well. The removal of treating plant equipment or the failure to use a treating plant for one year constitutes abandonment of the treating plant. The removal of saltwater handling facility equipment or the failure to use a saltwater handling facility for one year constitutes abandonment of the saltwater handling facility. An abandoned well must be plugged and its site must be reclaimed, an abandoned treating plant must be removed and its site must be reclaimed, and an abandoned saltwater handling facility must be removed and its site must be reclaimed, pursuant to sections 43-02-03-34 and 43-02-03-34.1. A well not producing oil or natural gas in paying quantities for one year may be placed in abandoned-well status pursuant to subsection 1 of North Dakota Century Code section 38-08-04. If an injection well is inactive for extended periods of time, the commission may, after notice and hearing, require the injection well to be plugged and abandoned. If an underground gathering pipeline is inactive for seven years, the commission may, after notice and hearing, require the pipeline to be properly abandoned pursuant to sections 43-02-03-29 and 43-02-03-29.1.
2. The director may waive for one year the requirement to plug and reclaim an abandoned well by giving the well temporarily abandoned status for good cause. This status may only be given to wells that are to be used for purposes related to the production of oil and gas within the next seven years. **If a well is given temporarily abandoned status, the well's perforations must be isolated, the integrity of its casing must be proven, and its casing must be sealed at the surface, all in a manner approved by the director.** The director may extend a well's temporarily abandoned status and each extension may be approved for up to one year. A fee of one hundred dollars shall be submitted for each application to extend the temporary abandonment status of any well. A surface owner may request a review of a well temporarily abandoned for at least seven years pursuant to subsection 1 of North Dakota Century Code section 38-08-04.
3. In addition to the waiver in subsection 2, the director may also waive the duty to plug and reclaim an abandoned well for any other good cause found by the director. If the director exercises this discretion, the director shall set a date or circumstance upon which the waiver expires.
4. The director may approve suspension of the drilling of a well. If suspension is approved, a plug must be placed at the top of the casing to prevent any foreign matter from getting into the well. When drilling has been suspended for thirty days, the well, unless otherwise authorized by the director, must be plugged and its site reclaimed pursuant to sections 43-02-03-34 and 43-02-03-34.1.

History: Amended effective April 30, 1981; January 1, 1983; May 1, 1990; May 1, 1992; August 1, 1999; January 1, 2008; April 1, 2010; April 1, 2012; April 1, 2014; October 1, 2016; April 1, 2018; April 1, 2020; April 1, 2022.

General Authority: NDCC 38-08-04

Law Implemented: NDCC 38-08-04