

MINING AND GAS AND OIL PRODUCTION

CHAPTER 434

HOUSE BILL NO. 1137
(Committee on State and Federal Government)
(At the request of the Industrial Commission)

INDUSTRIAL COMMISSION PUBLIC LANDS JURISDICTION

AN ACT to amend and reenact subdivision d of subsection 1 of section 38-08-04 of the North Dakota Century Code, relating to the jurisdiction and authority of the industrial commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subdivision d of subsection 1 of section 38-08-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

- d. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with this chapter, and the rules and orders of the industrial commission prescribed to govern the production of oil and gas on ~~state~~ public and private lands within the state, except that if the commission requires a bond to be furnished, the person required to furnish the bond may elect to deposit cash or property under such terms and conditions as the industrial commission may prescribe.

Approved March 9, 1989
Filed March 9, 1989

CHAPTER 435

SENATE BILL NO. 2089
(Committee on Appropriations)
(At the request of the Industrial Commission)

ABANDONED OIL AND GAS WELLS

AN ACT to create and enact a new section to chapter 38-08 of the North Dakota Century Code, relating to the creation of a cash bond fund for the plugging of abandoned oil and gas wells and the reclamation of abandoned oil and gas well sites; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 38-08 of the North Dakota Century Code is hereby created and enacted to read as follows:

Cash bond fund for plugging oil and gas wells and reclamation of oil and gas well sites - Appropriation.

1. There is hereby created a cash bond fund for the plugging of abandoned oil and gas wells and the reclamation of abandoned oil and gas well sites.
2. From all moneys held or controlled by the commission under subdivision d of subsection 1 of section 38-08-04, there is to be deposited in the cash bond fund such amount as determined by the commission but such amount may not exceed an amount equal to an annual return of two percent of the cash bond deposit.
3. Moneys in the cash bond fund are hereby appropriated to the commission to be used for the following purposes:
 - a. Defraying costs incurred in the plugging of abandoned oil and gas wells, and related activities.
 - b. Defraying costs incurred in the reclamation of abandoned oil and gas drilling and production sites, saltwater disposal pits, drilling fluid pits, and access roads, and related activities.

Approved April 12, 1989
Filed April 13, 1989

CHAPTER 436

HOUSE BILL NO. 1357
(Representative Aas)
(Senator D. Meyer)

EXCEPTION LOCATIONS OF OIL WELLS

AN ACT to amend and reenact subsection 3 of section 38-08-07 of the North Dakota Century Code, relating to the drilling of oil and gas wells at exception locations under orders establishing spacing units.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 3 of section 38-08-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

3. An order establishing spacing units for a pool must specify the size and shape of each unit and the location of the permitted well thereon in accordance with a reasonably uniform spacing plan. Upon application, if the commission finds that a well drilled at the prescribed location would not produce in paying quantities, ~~or~~ that surface conditions would substantially add to the burden or hazard of drilling such well, or that the drilling of such well at a location other than the prescribed location is otherwise necessary either to protect correlative rights, to prevent waste, or to effect greater ultimate recovery of oil and gas, the commission is authorized to enter an order permitting the well to be drilled at a location other than that prescribed by such spacing order; however, the commission shall include in the order suitable provisions to prevent the production from the spacing unit of more than its just and equitable share of the oil and gas in the pool.

Approved March 29, 1989
Filed March 30, 1989

CHAPTER 437

SENATE BILL NO. 2230
(Committee on Natural Resources)
(At the request of the Industrial Commission)

OIL POLLUTION CRIMINAL PENALTY

AN ACT to amend and reenact section 38-08-16 of the North Dakota Century Code, relating to civil and criminal penalties for violation of gas and oil resource laws or rules; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 38-08-16 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

38-08-16. Civil ~~penalty~~ and criminal penalties.

1. Any person who violates any provision of this chapter, or any rule, regulation, or order of the commission is subject to a civil penalty to be imposed by the commission not to exceed twelve thousand five hundred dollars for each offense, and each day's violation is a separate offense, unless the penalty for the violation is otherwise specifically provided for and made exclusive in this chapter. Any such civil penalty may be compromised by the commission. The penalties provided in this section, if not paid, are recoverable by suit filed by the attorney general in the name and on behalf of the commission, in the district court of the county in which the defendant resides, or in which any defendant resides, if there be more than one defendant, or in the district court of any county in which the violation occurred. The payment of the penalty may not operate to legalize any illegal oil, illegal gas, or illegal product involved in the violation for which the penalty is imposed, or to relieve a person on whom the penalty is imposed from liability to any other person for damages arising out of the violation.
2. Notwithstanding any of the other provisions of this section, a person who willfully violates any provision of this chapter, or any rule or order of the commission that pertains to the prevention or control of pollution or waste is guilty of a class C felony unless the penalty for the violation is otherwise specifically provided for and made exclusive in this chapter. The criminal penalty provided for in this subsection may only be imposed by a court of competent jurisdiction.

Approved April 19, 1989
Filed April 19, 1989

CHAPTER 438

HOUSE BILL NO. 1339
(Gerhardt, Oban, Goetz, Nelson, Haugen)

WELLHEAD WELDER CERTIFICATION

AN ACT to create and enact a new section to chapter 38-08 of the North Dakota Century Code, relating to the certification of welders by the oil and gas division of the industrial commission; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 38-08 of the North Dakota Century Code is hereby created and enacted to read as follows:

Regulation of welders by oil and gas division of industrial commission. No person may weld on an oil and gas wellhead unless that person is certified. A welder shall submit to the oil and gas division of the industrial commission for verification sufficient data to show satisfactory performance in a qualification test for American society of mechanical engineers section nine position six-G. The test of a welded specimen must be made by a certified testing laboratory. Before welding on an oil and gas wellhead, the welder shall furnish a statement to the person for whom the work is performed showing that the welder's certification has been verified by the commission. A person who violates this section is subject to a civil penalty to be imposed by the commission not to exceed five hundred dollars for each violation and shall pay all legal, administrative, and other costs incurred by the commission in investigating and litigating a violation. The commission may charge an annual fee of twenty-five dollars for verifying a certification. Annual fees collected under this section must be deposited into the state treasury in a special revolving fund. All moneys in the fund are hereby appropriated to the commission on a continuing basis to be used in administering this section.

Approved March 22, 1989
Filed March 23, 1989

CHAPTER 439

HOUSE BILL NO. 1082
(Committee on Natural Resources)
(At the request of the Public Service Commission)

SURFACE MINING BY SMALL OPERATORS

AN ACT to amend and reenact subsection 1 of section 38-14.1-37 of the North Dakota Century Code, relating to small operator exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 38-14.1-37 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. The provisions of this chapter do not apply to any of the following activities:
 - a. ~~The extraction~~ Extraction of coal by a landowner for his own noncommercial use from land owned or leased by him.
 - b. ~~The extraction of coal for commercial purposes where the surface mining operations affect two acres (0.8 hectares) or less.~~
 - c. ~~The extraction~~ Extraction of coal as an incidental part of federal, state, or local government-financed highway or other construction under regulations established by the commission.

Approved March 9, 1989
Filed March 9, 1989

CHAPTER 440

SENATE BILL NO. 2207
(Committee on Appropriations)
(At the request of the Public Service Commission)

SURFACE MINING AND RECLAMATION FUND

AN ACT to amend and reenact section 38-14.1-39 of the North Dakota Century Code, relating to the surface mining and reclamation fund; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 38-14.1-39 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

38-14.1-39. Forfeitures - Deposit Surface mining and reclamation fund - Continuing appropriation. All performance Performance bond forfeitures collected under the provisions of this chapter must be deposited in the state treasury and credited to a special account to be designated as the surface mining and reclamation fund. This fund must be available All moneys deposited to the surface mining and reclamation fund are hereby appropriated to the commission and, subject to legislative appropriation, may be expended for the reclamation of for the purpose of reclaiming land affected by surface coal mining operations. The fund is not subject to section 54-44.1-11.

Approved March 28, 1989
Filed March 28, 1989

CHAPTER 441

SENATE BILL NO. 2078
 (Senator Yockim)
 (Representative Gerhardt)

MINERAL INTEREST TERMINATION

AN ACT to amend and reenact section 38-18.1-02, subsection 4 of section 38-18.1-03, subsections 2 and 3 of section 38-18.1-05, and subsection 4 of section 38-18.1-06 of the North Dakota Century Code, relating to the termination of mineral interests.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 38-18.1-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

38-18.1-02. Statement of claims - Recording - Reversion. Any mineral interest is, if unused for a period of twenty years, immediately preceding the first publication of the notice required by section 38-18.1-06, deemed to be abandoned, unless a statement of claim is recorded in accordance with section 38-18.1-04. Title to the abandoned mineral interest vests in the owner or owners of the surface estate in the land in or under which the mineral interest is located on the date of abandonment.

SECTION 2. AMENDMENT. Subsection 4 of section 38-18.1-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. The mineral interest on any tract is subject to a lease, mortgage, assignment, ~~and~~ or conveyance of the mineral interest recorded in the office of the register of deeds in the county in which the mineral interest is located.

SECTION 3. AMENDMENT. Subsections 2 and 3 of section 38-18.1-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. ~~Inadvertently~~ Has failed to preserve the mineral interest in question.
3. Within sixty days after first publication of the notice provided for in section 38-18.1-06, recorded a statement of claim.

SECTION 4. AMENDMENT. Subsection 4 of section 38-18.1-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. A copy of the notice and an affidavit of service of the notice, ~~if~~ must be recorded in the office of the register of deeds of the county in which the mineral interest is located, ~~is~~ and constitutes prima facie evidence in any legal proceedings that such notice has been given.

Approved April 12, 1989
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