Sixty-first Legislative Assembly of North Dakota In Regular Session Commencing Tuesday, January 6, 2009

HOUSE CONCURRENT RESOLUTION NO. 3045 (Representatives Drovdal, Kempenich, Nottestad, Pinkerton)

A concurrent resolution directing the Legislative Council to study severed and abandoned mineral rights and methods to reduce the discount for oil produced in North Dakota.

WHEREAS, a quarter section of land may have hundreds of individuals with severed mineral rights in relation to that quarter; and

WHEREAS, the surface owner may not own any or all of the severed mineral rights, but is burdened entirely with the development of those rights; and

WHEREAS, it is often extremely difficult to determine who owns severed mineral rights in this state, whether the owners are governmental entities, residents, or nonresidents who may or may not actively manage the mineral interests; and

WHEREAS, there are procedures for the termination of mineral interests in North Dakota Century Code Chapter 38-18.1 that should be reviewed to determine if the statutory provisions are meeting the needs of the people of this state and if issues and abuses have arisen due to the increased oil and gas activity in this state; and

WHEREAS, North Dakota produces a very high grade of crude oil but the sales price of that oil is substantially discounted for several reasons, including the cost of transporting the oil to the point of sale, and an examination of the feasibility and desirability of state assistance or incentives to reduce the discount should be undertaken;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Legislative Council study severed and abandoned mineral rights and methods to reduce the discount for oil produced in North Dakota; and

BE IT FURTHER RESOLVED, that the Legislative Council report its findings and recommendations, together with any legislation required to implement the recommendations, to the Sixty-second Legislative Assembly.