

Introduced by

Senators Armstrong, Bekkedahl, Schaible

Representative Kempenich

1 A BILL for an Act to amend and reenact section 38-08-04.5 of the North Dakota Century Code,
2 relating to the abandoned oil and gas well plugging and site reclamation fund.

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

4 **SECTION 1. AMENDMENT.** Section 38-08-04.5 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **38-08-04.5. Abandoned oil and gas well plugging and site reclamation fund - Budget**
7 **section report.**

8 There is hereby created an abandoned oil and gas well plugging and site reclamation fund.

9 1. Revenue to the fund must include:

- 10 a. Fees collected by the oil and gas division of the industrial commission for permits
11 or other services.
- 12 b. Moneys received from the forfeiture of drilling and reclamation bonds.
- 13 c. Moneys received from any federal agency for the purpose of this section.
- 14 d. Moneys donated to the commission for the purposes of this section.
- 15 e. Moneys received from the state's oil and gas impact fund.
- 16 f. Moneys recovered under the provisions of section 38-08-04.8.
- 17 g. Moneys recovered from the sale of equipment and oil confiscated under section
18 38-08-04.9.
- 19 h. Moneys transferred from the cash bond fund under section 38-08-04.11.
- 20 i. Such other moneys as may be deposited in the fund for use in carrying out the
21 purposes of plugging or replugging of wells or the restoration of well sites.
- 22 j. Civil penalties assessed under section 38-08-16.

23 2. Moneys in the fund may be used for the following purposes:

- 24 a. Contracting for the plugging of abandoned wells.

- 1 b. Contracting for the reclamation of abandoned drilling and production sites,
2 saltwater disposal pits, drilling fluid pits, and access roads.
- 3 c. To pay mineral owners their royalty share in confiscated oil.
- 4 d. Defraying costs incurred under section 38-08-04.4 in reclamation of oil and
5 gas-related pipelines and associated facilities.
- 6 e. For transfer by the office of management and budget, upon request of the
7 industrial commission, to the environmental quality restoration fund for use by the
8 state department of health for the purposes provided under chapter 23-31, if to
9 address environmental emergencies relating to oil and natural gas development,
10 including the disposal of oilfield waste and oil or natural gas production and
11 transportation by rail, road, or pipeline. If a transfer requested by the industrial
12 commission has been made under this subdivision, the state department of
13 health shall request the office of management and budget to transfer from
14 subsequent deposits in the environmental quality restoration fund an amount
15 sufficient to restore the amount transferred from the abandoned oil and gas well
16 plugging and site reclamation fund.
- 17 3. ~~All moneys collected under this section must be deposited in the abandoned oil and~~
18 ~~gas well plugging and site reclamation fund.~~ This fund must be maintained as a
19 special fund and all moneys transferred into the fund are appropriated and must be
20 used and disbursed solely for the ~~purpose of defraying the costs incurred in carrying~~
21 ~~out the plugging or replugging of wells, the reclamation of well sites, and all other~~
22 ~~related activities~~purposes in this section.
- 23 4. The commission shall report to the budget section of the legislative management on
24 the balance of the fund and expenditures from the fund each biennium.