



NORTH DAKOTA SENATE

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Senator Jordan Kannianen

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COMMITTEES:
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Testimony on SB 2262 Senator Jordan Kannianen, District 4

Chairman Kreun and committee members,

The purpose of SB 2262 is to shorten the timeframe in which landowners can request a review of temporarily abandoned (TA) wells. Current law, put in place in 2015, allows landowners to submit a review request to the Industrial Commission after a well has been in temporarily abandoned status for seven years. This bill would shorten it to two years.

Once a landowner review request is filed with the Industrial Commission, a hearing is set, and notice is given. Producers need to bring evidence to the hearing of why the well should stay in TA status. Since 2015, a dozen review requests have been submitted by landowners (a couple/few per year), and after the subsequent hearings half of them were required to be plugged by the Industrial Commission, while half of them were given extensions.

Of course, this is a situation where landowners want the time until they can ask for a TA review to be as short as possible and industry wants that time stretched out as long as possible. Industry is concerned that a shortened timeframe would reduce the incentive to explore enhanced oil recovery (EOR) or other methods to increase production of an aging well. However, if they have a plan in place the Director of the Dept. of Mineral Resources isn't going to recommend plugging the well.

Years TA	Number of wells subject to review	Estimated case increase
7	141	None
6	161	14%
5	195	38%
4	233	65%
3	301	114%
2	369	162%

Perhaps going from 7 years to 4 years is more realistic than going from 7 years to 2 years.

Please give SB 2262 a Do Pass recommendation, as amended if necessary.
Thank you.