

Chair and members of the committee, my name is Scott Skokos and I am here on behalf of Dakota Resource Council. I stand here today in support of SB 2262.

Dakota Resource Council is a statewide, grassroots organization with more than 650 members statewide. Dakota Resource Council was founded over 40 years ago by landowners working to ensure energy industries did not compromise their rural way of life. Many of our current members live close to oil wells and other energy sources and are personally impacted by oil wells that are not reclaimed in a timely manner. We support this bill because it gives decision makers an additional tool to protect landowners (like DRC members) and North Dakota taxpayers from having to deal with the impacts and costs of reclaiming abandoned oil and gas wells by reducing the time a well can be on temporary abandoned status.

This change is important because it ensures that companies cannot put a well on temporary abandoned status, cannot idle assets for too long. Idled wells can be vectors for leaks and pollution and also an eye sore for landowners. In addition, this change is important because it further prevents bad actors from using the temporary abandoned status to shirk their reclamation responsibilities. In other states companies have used abandoned and temporarily abandoned status in an effort to allow them to go through the bankruptcy process and then avoid paying for the cost of reclaiming the well. For example Pennsylvania currently has approximately 8000 abandoned wells and Wyoming has more than 3600 abandoned wells according to the Pew Charitable Trust (these are wells with no legal owners)¹

In conclusion, this bill is a necessary change that will hopefully prevent North Dakota from facing the same fate as states like Pennsylvania and Wyoming.

1

<https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2018/07/09/why-orphan-oil-and-gas-wells-a-re-a-growing-problem-for-states>