



**Testimony of Lynn D. Helms
Director, North Dakota Industrial Commission Department of Mineral Resources
January 20, 2023
Senate Energy and Natural Resources Committee
SB 2194**

The North Dakota Industrial Commission (NDIC) Department of Mineral Resources (DMR) supports SB2194 and requests a Do Pass.

This bill is based upon the very successful pipeline ombudsman program established in 2015 by the 64th Legislative Assembly (attached). At that time operators and midstream companies were hiring multiple contractors to purchase rights-of-way (ROW), install, and reclaim pipeline projects. The landowner typically had only the contact information of the ROW agent, who often was no longer working with the pipeline operator or was unable to help them contact the contractors for installation or reclamation issues. The ombudsman program has provided consistent contact coordination as well as access to the Agriculture Department mediation services.

The DMR currently receives 3-5 calls per day from mineral owners. The most common concern is the inability to find and maintain a consistent and helpful contact within the operator's mineral owner department. This has been exacerbated by covid, turnover, acquisitions, mergers, and well transfers. The goal of this ombudsman program is to provide consistent confidential contact coordination for North Dakota mineral owners.

Thank you for your time and consideration,

Lynn D. Helms, PhD
Director

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**Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015**

SENATE BILL NO. 2271
(Senators Unruh, Armstrong, O'Connell)
(Representatives D. Anderson, Kempenich, Schatz)

AN ACT to create and enact section 4-01-31 of the North Dakota Century Code, relating to a pipeline restoration and reclamation oversight program; to provide an appropriation; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 4-01-31 of the North Dakota Century Code is created and enacted as follows:

4-01-31. Pipeline restoration and reclamation oversight pilot program - Generally.

1. The agriculture commissioner shall establish a pilot program that shall provide technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The agriculture commissioner may contract for ombudsmen for the purposes of being a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.
3. The pilot program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The agriculture commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The agriculture commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the abandoned oil and gas well plugging site reclamation fund in the state treasury, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of establishing and administering a pipeline restoration and reclamation oversight pilot program, without additional full-time employees, under section 1 of this Act, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.