

**2023 SENATE ENERGY AND NATURAL RESOURCES**

**SB 2194**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2194  
1/20/2023

|   |
|---|
| A BILL relating to a post-production royalty oversight program, and to procurement exemptions; and to provide an appropriation. |
|---|

9:31 AM Chairman Patten opening the hearing.

Chairman Patten, Senators Beard, Boehm, Kannianen, and Kessel were present. Senator Magrum joined the meeting late.

### Discussion Topics:

- Mineral and Royalty owners
- Operating companies
- Royalty interests
- Royalty statements
- Lawsuits
- Procurement exemptions
- Pipeline restoration
- Oil and gas industry
- Wind energy
- Better environment
- Private contracts
- Caps
- Complaints
- Private mineral owners

9:32 AM Chairman Patten introduced the bill and testified. #14777

9:39 AM Doug Goering, Agriculture Commissioner, testified in support. #14664

9:52 AM Lynn Helms, Director, ND Industrial Commission Department of the Mineral Recourses, testified in support. #14700

9:56 AM Brady Pelton, Vice President, North Dakota Petroleum Council, verbally testified in support.

9:58 AM Chairman Patten closed the hearing.

*Patricia Wilkens, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

**Energy and Natural Resources Committee**  
Peace Garden Room, State Capitol

**SB 2194**  
1/20/2023

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|---|
| A BILL relating to a post-production royalty oversight program, and to procurement exemptions; and to provide an appropriation. |
|---|

**10:24 AM Senator Patten** called the meeting to order.

**Chairman Patten, Senators Magrum, Beard, Boehm, Kannianen, Kessel present.**

**Discussion Topics:**

- Amendments

**10:26 AM Chairman Patten** asked the intern on Lines 10-16-19 replace word “land ownership” to “mineral and royalty owners.”

**10:30 AM Chairman Patten** tables the amendment.

**10:35 AM Chairman Patten** adjourned the meeting.

*Patricia Wilkens, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2194  
2/2/2023

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|--|
| A bill relating to a post-production royalty oversight program; and to provide an appropriation. |
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9:18 AM Chairman Patten opened the meeting.

Chairman Patten and Senators Kessel, Kannianen, and Beard are present. Senators Magrum and Boehm are absent.

### Discussion Topics:

- Amendments
- School lands
- Technical assistants

9:18 AM Senators have discussion on the bill.

9:26 AM Senator Kessel moved to do pass proposed amendments to the bill LC 23.0490.01001. #18792 Senator Kannianen seconded the motion.

9:26 AM Roll call vote was taken.

| Senators                    | Vote |
|-----------------------------|------|
| Senator Dale Patten         | Y    |
| Senator Jeffery J. Magrum   | AB   |
| Senator Todd Beard          | Y    |
| Senator Keith Boehm         | AB   |
| Senator Jordan L. Kannianen | Y    |
| Senator Greg Kessel         | Y    |

Motion passes 4-0-2.

9:28 AM Senator Kessel moved to Do Pass the bill as amended. Motion seconded by Senator Beard.

9:28 AM Roll call vote was taken.

| Senators                    | Vote |
|-----------------------------|------|
| Senator Dale Patten         | Y    |
| Senator Jeffery J. Magrum   | AB   |
| Senator Todd Beard          | Y    |
| Senator Keith Boehm         | AB   |
| Senator Jordan L. Kannianen | Y    |
| Senator Greg Kessel         | Y    |

The motion passes 4-0-2.

Senator Kessel will carry the bill.

This bill does not affect work force development.

9:29 AM Chairman Patten closed the meeting.

*Rick Schuchard, Committee Clerk*

February 2, 2023

BR  
2-2-2023  
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PROPOSED AMENDMENTS TO SENATE BILL NO. 2194

Page 1, line 1, replace "15-02" with "4.1-01, and a new subsection to section 54-44.4-05"

Page 1, line 2, after "program" insert ", and to procurement exemptions"

Page 1, replace lines 5 and 6 with:

**"SECTION 1.** A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:"

Page 1, line 8, remove "of university and school lands, in cooperation with the industrial"

Page 1, line 9, remove "commission."

Page 1, line 10, replace "landowners" with "mineral owners, lease owners."

Page 1, line 16, replace "landowners" with "mineral owners, lease owners."

Page 1, line 19, replace "landowners" with "mineral owners, lease owners."

Page 1, after line 23, insert:

**"SECTION 2.** A new subsection to section 54-44.4-05 of the North Dakota Century Code is created and enacted as follows:

Contracts for ombudsmen by the agriculture commissioner, related to post-production royalty technical assistance under chapter 15-02."

Page 2, line 1, replace "**INDUSTRIAL COMMISSION**" with "**DEPARTMENT OF AGRICULTURE**"

Page 2, line 4, replace "industrial commission" with "ombudsman program fund"

Page 2, line 5, remove "administered through the department of trust lands"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2194: Energy and Natural Resources Committee (Sen. Patten, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2194 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, replace "15-02" with "4.1-01, and a new subsection to section 54-44.4-05"

Page 1, line 2, after "program" insert ", and to procurement exemptions"

Page 1, replace lines 5 and 6 with:

**"SECTION 1.** A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:"

Page 1, line 8, remove "of university and school lands, in cooperation with the industrial"

Page 1, line 9, remove "commission."

Page 1, line 10, replace "landowners" with "mineral owners, lease owners."

Page 1, line 16, replace "landowners" with "mineral owners, lease owners."

Page 1, line 19, replace "landowners" with "mineral owners, lease owners."

Page 1, after line 23, insert:

**"SECTION 2.** A new subsection to section 54-44.4-05 of the North Dakota Century Code is created and enacted as follows:

Contracts for ombudsmen by the agriculture commissioner, related to post-production royalty technical assistance under chapter 15-02."

Page 2, line 1, replace "**INDUSTRIAL COMMISSION**" with "**DEPARTMENT OF AGRICULTURE**"

Page 2, line 4, replace "industrial commission" with "ombudsman program fund"

Page 2, line 5, remove "administered through the department of trust lands"

Renumber accordingly

**2023 SENATE APPROPRIATIONS**

**SB 2194**

# 2023 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

SB 2194  
2/15/2023

|  |
|--|
| A BILL for an Act relating to a post-production royalty oversight program, and to procurement exemptions; and to provide an appropriation. |
|--|

9:47 AM Chairman Bekkedahl opened the hearing on SB 2194.

Members present : Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, and Mathern.

**Discussion Topics:**

- Royalty oversight program
- Mineral rights
- Ombudsman assistance

9:47 AM Senator Dale Patten introduced the bill, no written testimony

10:07 AM Chairman Bekkedahl closed the hearing.

*Kathleen Hall, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2194  
2/16/2023

|   |
|---|
| A bill for an act relating to a post-production royalty oversight program; and to provide an appropriation. |
|---|

12:26 PM Chairman Wanzek called the meeting to order.  
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa are present.

### Discussion Topics:

- Mediation service
- Landowners
- Royalty statements
- Agriculture responsibilities
- Abandoned oil and gas well reclamation
- Carbon Summit
- Easement guidelines / education

12:26 PM Doug Goehring testified. Testimony #21087

12:40 PM Brady Pelton, ND Oil & Gas Commission, testified. (No written testimony)

12:41 PM Levi Kinnischtzke, Legislative Council Senior Fiscal Analyst, testified.  
(No written testimony)

12:48 Chairman Wanzek closed the meeting.

*Carol Thompson, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2194  
2/17/2023

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|--|
| A BILL for an Act relating to a post-production royalty oversight program, and to procurement exemptions; and to provide an appropriation. |
|--|

**8:23 AM Chairman Bekkedahl** called the hearing to order.

**Chairman Bekkedahl, Senators, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, Rust, Mathern** are present.

### Discussion Topics:

- Committee Action

**8:25 AM Senator Mathern** moved a **Do Not Pass**

**8:25 AM Senator Davison** seconded motion.

| Senators                   | Vote |
|----------------------------|------|
| Senator Brad Bekkedahl     | Y    |
| Senator Karen K. Krebsbach | Y    |
| Senator Randy A. Burckhard | Y    |
| Senator Kyle Davison       | Y    |
| Senator Dick Dever         | Y    |
| Senator Michael Dwyer      | Y    |
| Senator Robert Erbele      | Y    |
| Senator Curt Kreun         | Y    |
| Senator Tim Mathern        | Y    |
| Senator Scott Meyer        | Y    |
| Senator Jim P. Roers       | Y    |
| Senator David S. Rust      | Y    |
| Senator Donald Schaible    | Y    |
| Senator Ronald Sorvaag     | Y    |
| Senator Shawn Vedaa        | Y    |
| Senator Terry M. Wanzek    | Y    |

Motion passed. 16-0-0

**Senator Wanzek** will carry SB 2194

**8:26 AM Chairman Bekkedahl** adjourned meeting.

*Patricia Wilkens on behalf of Kathleen Hall, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2194, as engrossed: Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **DO NOT PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2194 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

**2023 HOUSE ENERGY AND NATURAL RESOURCES**

**SB 2194**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Coteau AB Room, State Capitol

SB 2194  
3/16/2023

Relating to a post-production royalty oversight program, and to procurement exemptions.

10:08 AM Chairman Porter opened the hearing.

Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Kasper, Marschall, Novak, Olson, Roers Jones, and Ruby.

### Discussion Topics:

- Ombudsman programs
- Pipeline restoration and reclamation
- Royalty owners
- Fiscal Note
- Abandoned reclamation fund

Doug Goehring, Ag Commissioner, Testimony 25609  
Ron Ness, ND Petroleum Council, Testimony 25539

10:20 AM Chairman Porter closed the hearing.

*Kathleen Davis, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Coteau AB Room, State Capitol

SB 2194  
3/23/2023

Relating to a post-production royalty oversight program, and to procurement exemptions.

9:12 AM Chairman Porter opened the meeting.

Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Marschall, Novak, Olson, Roers Jones, and Ruby.  
Absent: Rep Kasper

### Discussion Topics:

- Committee action

Chairman Porter, proposed amendments, Testimony #26461, #26462

Rep Dockter moved to adopt the proposed amendments, Testimony #26461 and #26462, seconded by Rep Olson. Voice vote, motion carried.

Rep Olson moved a Do Pass as Amended and to Rerefer to Appropriations on SB 2194, seconded by Rep Bosch.

| Representatives                    | Vote |
|------------------------------------|------|
| Representative Todd Porter         | Y    |
| Representative Dick Anderson       | Y    |
| Representative Glenn Bosch         | Y    |
| Representative Liz Conmy           | AB   |
| Representative Jason Dockter       | Y    |
| Representative Jared Hagert        | Y    |
| Representative Pat D. Heinert      | Y    |
| Representative Zachary Ista        | Y    |
| Representative Jim Kasper          | AB   |
| Representative Andrew Marschall    | Y    |
| Representative Anna S. Novak       | AB   |
| Representative Jeremy Olson        | Y    |
| Representative Shannon Roers Jones | Y    |
| Representative Matthew Ruby        | Y    |

**11-0-3 Motion carried. Rep Olson is carrier.**

9:17 AM Meeting adjourned.

*Kathleen Davis, Committee Clerk*

SB 2194 was reconsidered on 03/30/23.

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Coteau AB Room, State Capitol

SB 2194  
3/30/2023

Relating to a post-production royalty oversight program, and to procurement exemptions.

10:32 AM Chairman Porter opened the meeting.

Members present: Chairman Porter, Vice Chairman D. Anderson, Representatives Bosch, Conmy, Dockter, Hagert, Heinert, Ista, Rep Kasper, Marschall, Novak, Roers Jones, and Ruby. Absent: Representative Olson

### Discussion Topics:

- Committee action

Rep Roers Jones moved to Reconsider SB 2194, seconded by Rep Dockter. Voice vote, motion carried.

Rep Ruby moved to further amend SB 2194 to remove Section 2, seconded by Rep Bosch. Voice vote, motion carried.

Rep Ruby moved a Do Pass as Amended and Rerefer to Appropriations on SB 2194, seconded by Rep Bosch.

| Representatives                    | Vote |
|------------------------------------|------|
| Representative Todd Porter         | Y    |
| Representative Dick Anderson       | Y    |
| Representative Glenn Bosch         | Y    |
| Representative Liz Conmy           | Y    |
| Representative Jason Dockter       | Y    |
| Representative Jared Hagert        | Y    |
| Representative Pat D. Heinert      | Y    |
| Representative Zachary Ista        | Y    |
| Representative Jim Kasper          | Y    |
| Representative Andrew Marschall    | Y    |
| Representative Anna S. Novak       | Y    |
| Representative Jeremy Olson        | AB   |
| Representative Shannon Roers Jones | Y    |
| Representative Matthew Ruby        | Y    |

**13-0-1 Motion carried. Rep Olson is carrier.**

10:39 AM Meeting adjourned.

*Kathleen Davis, Committee Clerk*

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3/30/23

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2194

Page 1, line 1, remove ", and a new subsection to"

Page 1, line 2, remove "section 54-44.4-05"

Page 1, line 3, replace ", and to procurement exemptions" with "; to amend and reenact subsection 2 of section 38-08-04.5 of the North Dakota Century Code, relating to the abandoned oil and gas well plugging and site reclamation fund; and to provide a report"

Page 1, line 7, after "**program**" insert "**- Report**"

Page 1, after line 23, insert:

"7. By June first of each even-numbered year, the commissioner shall provide a report to the energy development and transmission committee."

Page 2, replace lines 1 through 4 with:

**"SECTION 2. AMENDMENT.** Subsection 2 of section 38-08-04.5 of the North Dakota Century Code is amended and reenacted as follows:

2. Moneys in the fund may be used for the following purposes:
  - a. Contracting for the plugging of abandoned wells.
  - b. Contracting for the reclamation of abandoned drilling and production sites, saltwater disposal pits, drilling fluid pits, and access roads.
  - c. To pay mineral owners their royalty share in confiscated oil and to defray the expenses of the post-production royalty oversight program provided under section 1 of this Act.
  - d. Defraying costs incurred under section 38-08-04.4 in reclamation of saltwater handling facilities, treating plants, and oil and gas-related pipelines and associated facilities and to defray the expenses of the pipeline restoration and reclamation oversight program provided under chapter 4.1-01.
  - e. Reclamation and restoration of land and water resources impacted by oil and gas development, including related pipelines and facilities that were abandoned or were left in an inadequate reclamation status before August 1, 1983, and for which there is not any continuing reclamation responsibility under state law. Land and water degraded by any willful act of the current or any former surface owner are not eligible for reclamation or restoration. The commission may expend up to five million dollars per biennium from the fund in the following priority:
    - (1) For the restoration of eligible land and water that are degraded by the adverse effects of oil and gas development including related pipelines and facilities.

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3/30/23

- (2) For the development of publicly owned land adversely affected by oil and gas development including related pipelines and facilities.
  - (3) For administrative expenses and cost in developing an abandoned site reclamation plan and the program.
  - (4) Demonstration projects for the development of reclamation and water quality control program methods and techniques for oil and gas development, including related pipelines and facilities.
- f. For transfer by the office of management and budget, upon request of the industrial commission, to the environmental quality restoration fund for use by the department of environmental quality for the purposes provided under chapter 23.1-10, if to address environmental emergencies relating to oil and natural gas development, including the disposal of oilfield waste and oil or natural gas production and transportation by rail, road, or pipeline. If a transfer requested by the industrial commission has been made under this subdivision, the department of environmental quality shall request the office of management and budget to transfer from subsequent deposits in the environmental quality restoration fund an amount sufficient to restore the amount transferred from the abandoned oil and gas well plugging and site reclamation fund."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2194, as reengrossed: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2194 was placed on the Sixth order on the calendar.

Page 1, line 1, remove ", and a new subsection to"

Page 1, line 2, remove "section 54-44.4-05"

Page 1, line 3, replace ", and to procurement exemptions" with "; to amend and reenact subsection 2 of section 38-08-04.5 of the North Dakota Century Code, relating to the abandoned oil and gas well plugging and site reclamation fund; and to provide a report"

Page 1, line 7, after "**program**" insert "**- Report**"

Page 1, after line 23, insert:

"7. By June first of each even-numbered year, the commissioner shall provide a report to the energy development and transmission committee."

Page 2, replace lines 1 through 4 with:

**"SECTION 2. AMENDMENT.** Subsection 2 of section 38-08-04.5 of the North Dakota Century Code is amended and reenacted as follows:

2. Moneys in the fund may be used for the following purposes:
  - a. Contracting for the plugging of abandoned wells.
  - b. Contracting for the reclamation of abandoned drilling and production sites, saltwater disposal pits, drilling fluid pits, and access roads.
  - c. To pay mineral owners their royalty share in confiscated oil and to defray the expenses of the post-production royalty oversight program provided under section 1 of this Act.
  - d. Defraying costs incurred under section 38-08-04.4 in reclamation of saltwater handling facilities, treating plants, and oil and gas-related pipelines and associated facilities and to defray the expenses of the pipeline restoration and reclamation oversight program provided under chapter 4.1-01.
  - e. Reclamation and restoration of land and water resources impacted by oil and gas development, including related pipelines and facilities that were abandoned or were left in an inadequate reclamation status before August 1, 1983, and for which there is not any continuing reclamation responsibility under state law. Land and water degraded by any willful act of the current or any former surface owner are not eligible for reclamation or restoration. The commission may expend up to five million dollars per biennium from the fund in the following priority:
    - (1) For the restoration of eligible land and water that are degraded by the adverse effects of oil and gas development including related pipelines and facilities.

- (2) For the development of publicly owned land adversely affected by oil and gas development including related pipelines and facilities.
  - (3) For administrative expenses and cost in developing an abandoned site reclamation plan and the program.
  - (4) Demonstration projects for the development of reclamation and water quality control program methods and techniques for oil and gas development, including related pipelines and facilities.
- f. For transfer by the office of management and budget, upon request of the industrial commission, to the environmental quality restoration fund for use by the department of environmental quality for the purposes provided under chapter 23.1-10, if to address environmental emergencies relating to oil and natural gas development, including the disposal of oilfield waste and oil or natural gas production and transportation by rail, road, or pipeline. If a transfer requested by the industrial commission has been made under this subdivision, the department of environmental quality shall request the office of management and budget to transfer from subsequent deposits in the environmental quality restoration fund an amount sufficient to restore the amount transferred from the abandoned oil and gas well plugging and site reclamation fund."

Renumber accordingly

**2023 HOUSE APPROPRIATIONS**

**SB 2194**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

SB 2194  
4/5/2023

Relating to a post-production royalty oversight program

**11:24 AM Chairman Vigesaa** Called the meeting to order and roll call was taken-

**Members present;** Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

**Members not Present-** Representative Monson

### Discussion Topics:

- Abandoned Well Fund
- Accessing Funds
- Committee Action

**Representative Porter-** Introduces the bill and its purpose.

**11:29 AM Chairman Vigesaa** Closed the meeting for SB 2194

**Representative J. Nelson-** Move for a Do Pass

**Representative Nathe-** Seconds the Motion

Roll call vote

| Representatives                  | Vote |
|----------------------------------|------|
| Representative Don Vigesaa       | Y    |
| Representative Keith Kempenich   | Y    |
| Representative Bert Anderson     | Y    |
| Representative Larry Bellew      | Y    |
| Representative Mike Brandenburg  | Y    |
| Representative Karla Rose Hanson | Y    |
| Representative Gary Kreidt       | Y    |
| Representative Bob Martinson     | Y    |
| Representative Lisa Meier        | Y    |
| Representative Alisa Mitskog     | Y    |
| Representative Corey Mock        | Y    |

|                                    |   |
|------------------------------------|---|
| Representative David Monson        | A |
| Representative Mike Nathe          | Y |
| Representative Jon O. Nelson       | Y |
| Representative Emily O'Brien       | A |
| Representative Brandy Pyle         | Y |
| Representative David Richter       | Y |
| Representative Mark Sanford        | Y |
| Representative Mike Schatz         | Y |
| Representative Randy A. Schobinger | Y |
| Representative Greg Stemen         | Y |
| Representative Michelle Strinden   | Y |
| Representative Steve Swiontek      | Y |

**Motion Carries 21-0-2 Representative J. Olson will carry the bill.**

**11:31 AM Chairman Vigesaa** Closed the meeting for SB 2194

*Risa Berube, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2194, as reengrossed and amended: Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2194, as amended, was placed on the Fourteenth order on the calendar.

**TESTIMONY**

**SB 2194**

COMMISSIONER  
DOUG GOEHRING



[ndda@nd.gov](mailto:ndda@nd.gov)  
[www.nd.gov/ndda](http://www.nd.gov/ndda)

**NORTH DAKOTA**  
**DEPARTMENT OF AGRICULTURE**  
STATE CAPITOL  
600 E. BOULEVARD AVE. – DEPT. 602  
BISMARCK, ND 58505-0020

**Testimony of Doug Goehring**  
**Agriculture Commissioner**  
**Senate Energy and Natural Resources**  
**Peace Garden Room**  
**January 20, 2023**

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Chairman Patten and members of the Senate Energy and Natural Resources Committee, I am Agriculture Commissioner Doug Goehring. I am here today in support of SB 2194 as amended.

My office currently operates two ombudsmen programs offering support to landowners in pipeline restoration and reclamation and wind energy restoration and reclamation. Through these programs we contract with independent ombudsman, who assesses the on-site impacts and work with both energy industry and the landowners to resolve the issues in a timely and satisfactory manner.

I believe my office can effectively work with royalty owners and the oil and gas industry to help bring clarity and resolution to the issue before the matters end up in court. I will work together with the industry and royalty owners to provide outreach and education to resolve future matters.

Chairman Patten and committee members, I thank you for the opportunity to testify. I would be happy to answer any questions.



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 64<sup>th</sup> 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

701.328.8020 • [lhelms@nd.gov](mailto:lhelms@nd.gov) • [www.dmr.nd.gov](http://www.dmr.nd.gov)



701.328-8020 • [oilandgasinfo@nd.gov](mailto:oilandgasinfo@nd.gov) • [www.dmr.nd.gov](http://www.dmr.nd.gov) • 600 E Boulevard Ave, Dept. 405 • Bismarck, ND 58505

Bruce E. Hicks  
ASSISTANT DIRECTOR  
OIL AND GAS DIVISION

Lynn D. Helms  
DIRECTOR  
DEPT. OF MINERAL RESOURCES

Edward C. Murphy  
STATE GEOLOGIST  
GEOLOGICAL SURVEY

**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.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2194

Page 1, line 2, after “program;” insert “to create and enact a new subsection to section 54-44.4-05 of the North Dakota Century Code, relating to procurement exemptions;”

Page 2, line 1, insert:

“**SECTION 2.** A new subsection to section 54-44.4-05 of the North Dakota Century Code is created and enacted as follows:

Contracts for ombudsmen by the commissioner of university and school lands, related to post-production royalty technical assistance under chapter 15-02.”

Re-number accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2194

Page 1, line 1, amend and replace “15-02” with “4.1-01”

Page 1, line 5, amend and replace “15-02” with “4.1-01”

Page 1, line 8, insert ‘agriculture’ before ‘commissioner’

Page 1, line 8, remove “of university and school lands, in cooperation with the industrial”

Page 1, line 9, remove “commission,”

Page 2, line 1, replace “INDUSTRIAL COMMISSION” with “AGRICULTURE COMMISSIONER”

Page 2, line 4, amend and replace “industrial commission” with “ombudsman program fund”

Page 2, line 5, remove “administered through the department of trust lands

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2194

A BILL for an Act to create and enact a new section to chapter ~~15-02~~4.1-01 of the North Dakota Century Code, relating to a post-production royalty oversight program; to create and enact a new subsection to section 54-44.4-05 of the North Dakota Century Code, relating to procurement exemptions; and to provide an appropriation.

**SECTION 1.** A new section to chapter ~~15-02~~4.1-01 of the North Dakota Century Code is created and enacted as follows:

**Post-production royalty oversight program.**

1. The agriculture commissioner ~~of university and school lands, in cooperation with the industrial commission,~~ shall establish a program providing technical assistance and support to ~~landowners~~mineral owners, lease owners, and mineral companies relating to royalty payment issues.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on royalty payment issues.
3. The program may provide technical education, support, and outreach on royalty payment related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the ~~landowners~~mineral owners, lease owners, and mineral companies, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54 - 44.4 when contracting for the services of ombudsmen.
5. The names of ~~landowners~~mineral owners, lease owners, and mineral companies that receive assistance under the program are not subject to section 44 - 04 - 18 and section 6 of article XI of the Constitution of North Dakota.
6. The commissioner shall submit expenses related to the implementation of the program to the industrial commission for reimbursement.

**SECTION 2.** A new subsection to section 54-44.4-05 of the North Dakota Century Code is created and enacted as follows:

Contracts for ombudsmen by the agriculture commissioner, related to post-production royalty technical assistance under chapter 15-02.

**SECTION ~~23~~. APPROPRIATION - ~~INDUSTRIAL COMMISSION~~**  
**AGRICULTURE COMMISSION - ROYALTY OVERSIGHT PROGRAM.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the ~~industrial commission~~ ombudsman program fund for the purpose of implementing a post-production royalty oversight program ~~administered through the department of trust lands~~, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SB 2194



# PIPELINE RESTORATION AND RECLAMATION OVERSIGHT PROGRAM

The North Dakota Department of Agriculture’s pipeline restoration and reclamation oversight program connects landowners and tenants experiencing pipeline reclamation and restoration issues with an independent ombudsman, a third party resource to help reach a reasonable resolution.

The program also provides educational outreach to help landowners/tenants consider things such as pipeline pathways, type of pipeline installation, soil impacts, type of vegetation being reestablished, timelines and other issues before signing agreements.

### Vision Statement

The ombudsmen are the recognized lead facilitators for promoting fairness when resolving pipeline reclamation and restoration issues, concerns, and disputes.

### Mission Statement

To enhance landowner trust and cooperation in North Dakota’s energy development future by providing timely, effective, and impartial complaint management between surface owners/tenants and pipeline companies.

### Values

These values guide activities and actions of the program. They demonstrate the agriculture commissioner’s belief that the manner in which the program is administered must be purposeful in progressing the goals North Dakota is trying to achieve by creating the program.

The program values:

- Fairness
- Integrity
- Respect
- Equity

This program also values a working environment that fosters innovation and collaboration.



Agriculture Commissioner  
Doug Goehring

# PROGRAM PROCESS

The ombudsmen proceed by way of independent and impartial examinations initiated upon complaints by surface owners/tenants. The ombudsman's objective is to develop a service culture characterized by fairness, dedication, openness, and accountability. The ombudsmen may use informal facilitation or recommend mediation to avoid actions that can be costly and damaging to the surface owner/tenant and the pipeline company.

## NDDA will:

Establish methods for surface owners/tenants to issue complaints

Complaints will be taken by:

Phone

Email

Web

Personal interview

Establish a method to track and assign complaint cases to an ombudsmen

Prepare periodic reports to the agriculture commissioner regarding program activity

Contract with qualified ombudsmen

## The ombudsman will:

Make initial contact with the surface owner/tenant within 48 hours of receiving the complaint

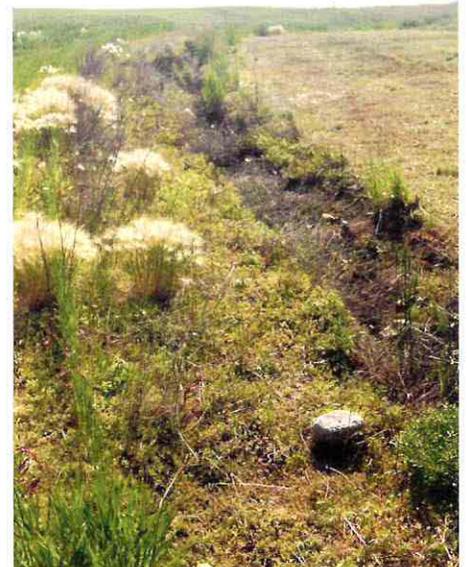
Conduct a site examination with the surface owner/tenant and document all issues associated with the complaint

Meet with surface owner/tenant and pipeline company on site to review reclamation/restoration issues

Work with surface owner/tenant and pipeline company to develop a plan and timeline to address the complaint

Periodically monitor agreed upon reclamation/restoration site work

Provide final report to the agriculture commissioner



*Site prior to reclamation*



*Same site after reclamation*



# WIND ENERGY RESTORATION AND RECLAMATION OVERSIGHT PROGRAM

The North Dakota Department of Agriculture, in cooperation with the Public Service Commission, connects property owners experiencing wind energy reclamation and restoration issues with an independent ombudsman, a third party resource to help reach a reasonable resolution.

The program also provides educational outreach to help property owners consider things such as site development, location and route of electrical distribution lines, site restoration after decommissioning and other issues before signing contracts.

## Vision Statement

The ombudsmen are the recognized lead facilitators for promoting fairness when resolving wind energy reclamation and restoration issues, concerns, and disputes.

## Mission Statement

To enhance property owner trust and cooperation in North Dakota's energy development future by providing timely, effective, and impartial complaint management between property owners and wind energy developers.

## Values

These values guide activities and actions of the program. They demonstrate the agriculture commissioner's belief that the manner in which the program is administered must be purposeful in progressing the goals North Dakota is trying to achieve by creating the program.

The program values:

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Agriculture Commissioner  
Doug Goehring



Public Service Commission

# PROGRAM PROCESS

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## **NDDA and PSC will:**

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Complaints will be taken by:

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Email

Web

Personal interview

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Contract with qualified ombudsmen

## **The ombudsman will:**

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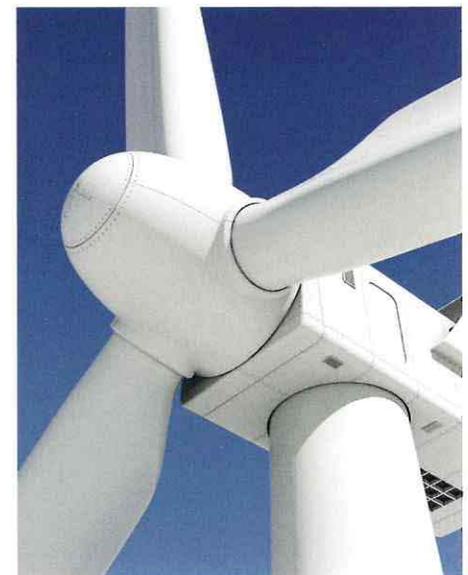
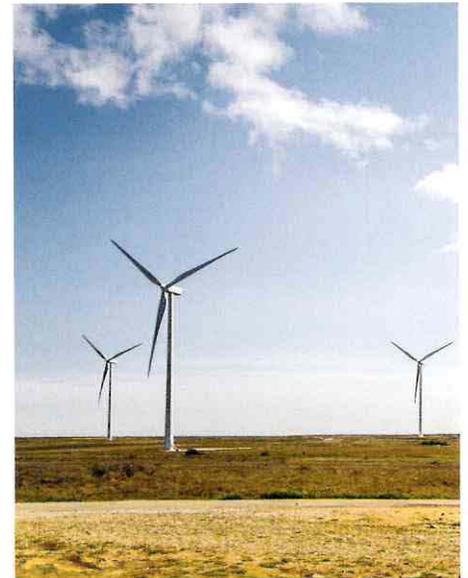
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Provide final report to the agriculture commissioner and the Public Service Commission



# THE OMBUDSMAN

## Ombudsman

Noun [om•buds•man]

Definition: One who investigates, reports on, and helps settle complaints.

The ombudsman will manage complaint cases by receiving, reviewing, and attempting to resolve complaints from property owners. In addition, the ombudsman will analyze complaint data and provide the agriculture commissioner and the Public Service Commission with recommendations for the improvement of the program. The ombudsman will have frequent contact with property owners, and representatives from wind developers by conducting outreach and managing complaints.

## Knowledge, Skills, and Abilities

To be an effective ombudsman, the individual must have the following attributes:

- Concern for fairness
- Effective consensus-building and facilitator skills
- Good listening skills
- Established analytical ability
- Effective stress management skills
- General knowledge of subject matter
- Keep professionally current by pursuing continuing education and training

## Primary Functions

An ombudsman has the following primary functions:

- Problem prevention
- Conflict resolution
- Communication facilitation

## Functional Description

The ombudsman will:

- Serve as a designated neutral resource for property owners to raise concerns and request assistance to informally resolve conflicts and problems
- Monitor and track inquiries, complaints, and disputes
- Seek to provide effective and equitable conflict resolution
- Focus on customer service to provide an identifiable and accessible process for receiving complaints and resolving disputes
- Direct property owners to the correct process or agency (outside the ombudsman program) when appropriate
- Make recommendations to the agriculture commissioner and the Public Service Commission if a general problem trend is identified

## The ombudsman will not:

Provide legal counsel or assistance in negotiating an easement

Interfere with or supersede any agreements between property owners and wind developers

Conduct any regulatory functions

## PROGRAM GOALS

**1 Recognized Resource**  
We are a resource that can assess issues and identify options after an impartial review of the complaint

**2 Create Trust**  
Create property owner trust in working with wind developers by creating a venue to address concerns and enhance communication

**3 Save Resources**  
Save valuable resources by preventing disputes and resolving them in a timely manner in place of costly litigation

**4 Balanced Approach**  
Support property owners and the energy industry by using a non-regulatory approach to balance land use needs and foster the relationship between land stakeholders

## PROGRAM OBJECTIVES

- Wind energy reclamation and restoration problems addressed in the early stages have a higher degree of resolution and can often be resolved before further erosion of confidence by the property owner and a loss of productivity exists
- Effective education of key stakeholders regarding the goals of the program will create buy-in and cooperation
- The ombudsman does not necessarily have to identify the solution to a problem but will be most successful by helping property owners and wind developers identify and carry out solutions
- The ombudsman must be an effective consensus-builder and facilitator

## PROGRAM ASSESSMENT

NDDA will use customer satisfaction surveys and stakeholder interviews to complete an annual program assessment.

## FOR FURTHER INFORMATION

North Dakota Department of Agriculture  
600 E. Boulevard Ave., Dept. 602  
Bismarck, ND 58505-0020  
701-328-2231 or 800-242-7535  
[www.nd.gov/ndda](http://www.nd.gov/ndda)

Public Service Commission  
600 E. Boulevard Ave., Dept. 408  
Bismarck, ND 58505-0480  
701-328-2400 or 877-245-6685  
[www.psc.nd.gov](http://www.psc.nd.gov)



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Sept. 2018

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- Focus on customer service to provide an identifiable and accessible process for receiving complaints and resolving disputes
- Direct surface owners/tenants to the correct process or agency (outside the ombudsman program) when appropriate
- Make recommendations to the agriculture commissioner if a general problem trend is identified

## NDDA will not:

Release the names of surface owners or tenants who receive assistance through this program

## The ombudsman will not:

Provide legal counsel or assistance in negotiating an easement

Interfere with or supersede any agreements between surface owners/tenants and pipeline companies

Conduct any regulatory functions

Investigate any pipeline installed before January 1, 2006

Investigate any pipeline regulated by the Public Service Commission under North Dakota Century Code Title 49

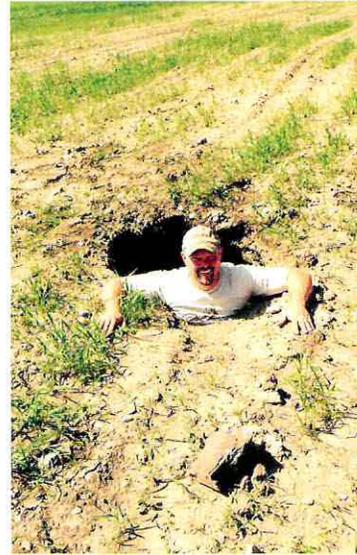
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**3 Save Resources**  
Save valuable resources by preventing disputes and resolving them in a timely manner in place of costly litigation

**4 Balanced Approach**  
Support surface owners/tenants and the energy industry by using a non-regulatory approach to balance land use needs and foster the relationship between land stakeholders



## PROGRAM OBJECTIVES

- Pipeline reclamation and restoration problems addressed in the early stages have a higher degree of resolution and can often be resolved before further erosion of confidence by the surface owner/tenant and before loss of productivity by both parties
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Sept. 2018

SB 2194  
3/16/23



**Senate Bill 2194**

**Testimony of Ron Ness**

**House Energy and Natural Resources Committee**

**March 16, 2023**

Chairman Porter and members of the Committee, my name is Ron Ness, president of the North Dakota Petroleum Council (“NDPC”). The North Dakota Petroleum Council represents more than 600 companies in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline, transportation, mineral leasing, consulting, legal work, and oilfield service activities in North Dakota. I appear before you today in support of SB 2194.

The Pipeline Ombudsman Program administered by the Agriculture Department has been a tremendous success. The concept was so successful that it was replicated for wind energy a few years ago when issues with landowners were arising. The funding mechanism for the Ombudsman Program is in the Ag Commissioner’s budget.

Senate Bill 2194 deals with providing resources to mineral and royalty owners who have become frustrated when trying to get clarification and explanation relating to their royalty statements. This conflict has been brewing for several years as gas capture costs and other transportation issues have plagued the Bakken. New and old leases may all differ regarding the ability to withhold transportation and other costs associated with getting the product to market or adding value to the oil or gas produced. The legislature cannot change contracts or resolve individual disputes; that is best left to the courts. However, we can work to provide support and assistance with communication between the parties. Oil operators have turnover just like every other business and often mineral and royalty owners are unable to get to the right contact person or

are unable to acquire the detailed information regarding their royalty statements they expect and should get. That is where the ombudsman can step in and assist.

The Department of Agriculture has a proven track record of success in working with the parties. History has shown that once the agency gets engaged, companies step up their game and seem to do a better job of communicating with land or mineral owners. There are likely more than 150,000 mineral and royalty owners with interests in the Williston Basin. This role might be a big task for the Ag. Dept., but many of us think they are up to the task of tackling another big challenge.

Let's give this a try. I suspect improving communications will be of great benefit to many royalty owners with good questions and frustrations. However, it is also important to recognize that this proposed ombudsman program is not a solution for those who are simply unhappy with their situation or the lease they have signed.

The North Dakota Petroleum Council urges a Do Pass Recommendation for Senate Bill 2194. I would be happy to answer any questions.

COMMISSIONER  
DOUG GOEHRING



[ndda@nd.gov](mailto:ndda@nd.gov)  
[www.nd.gov/ndda](http://www.nd.gov/ndda)

**NORTH DAKOTA**  
**DEPARTMENT OF AGRICULTURE**  
STATE CAPITOL  
600 E. BOULEVARD AVE. - DEPT. 602  
BISMARCK, ND 58505-0020

**Testimony of Doug Goehring**  
**Agriculture Commissioner**  
**House Energy and Natural Resources**  
**Coteau AB Room**  
**03/16/2023**

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Chairman Porter and members of the House Energy and Natural Resources Committee, I am Agriculture Commissioner Doug Goehring. I am here today in support of SB 2194.

My office currently operates two ombudsmen programs offering support to landowners in pipeline restoration and reclamation and wind energy restoration and reclamation. The ombudsmen assess the on-site impacts and work with both energy industry and the landowners to resolve the issues in a timely and satisfactory manner.

I believe my office can effectively work with royalty owners and the oil and gas industry to help bring clarity and resolution to the issue before the matters end up in court. I will work together with the industry and royalty owners to provide outreach and education to resolve future matters.

Chairman Porter and committee members, I thank you for the opportunity to testify. I would be happy to answer any questions.



# PIPELINE RESTORATION AND RECLAMATION OVERSIGHT PROGRAM

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The program also provides educational outreach to help landowners/tenants consider things such as pipeline pathways, type of pipeline installation, soil impacts, type of vegetation being reestablished, timelines and other issues before signing agreements.

## Vision Statement

The ombudsmen are the recognized lead facilitators for promoting fairness when resolving pipeline reclamation and restoration issues, concerns, and disputes.

## Mission Statement

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## Values

These values guide activities and actions of the program. They demonstrate the agriculture commissioner’s belief that the manner in which the program is administered must be purposeful in progressing the goals North Dakota is trying to achieve by creating the program.

The program values:

- Fairness
- Respect
- Integrity
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This program also values a working environment that fosters innovation and collaboration.



Agriculture Commissioner  
Doug Goehring

# PROGRAM PROCESS

The ombudsmen proceed by way of independent and impartial examinations initiated upon complaints by surface owners/tenants. The ombudsman's objective is to develop a service culture characterized by fairness, dedication, openness, and accountability. The ombudsmen may use informal facilitation or recommend mediation to avoid actions that can be costly and damaging to the surface owner/tenant and the pipeline company.

## NDDA will:

Establish methods for surface owners/tenants to issue complaints

Complaints will be taken by:

Phone

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Personal interview

Establish a method to track and assign complaint cases to an ombudsmen

Prepare periodic reports to the agriculture commissioner regarding program activity

Contract with qualified ombudsmen

## The ombudsman will:

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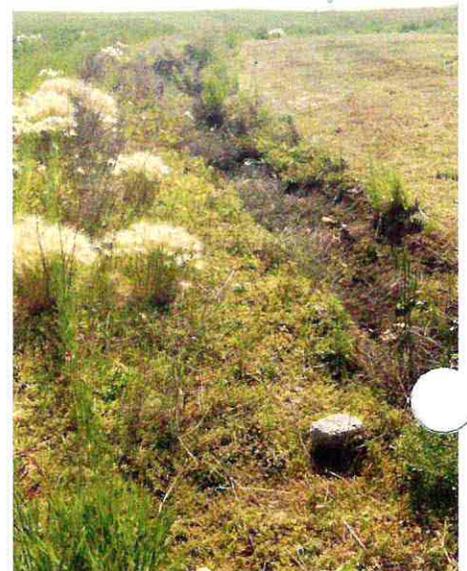
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Periodically monitor agreed upon reclamation/restoration site work

Provide final report to the agriculture commissioner



*Site prior to reclamation*



*Same site after reclamation*

## NDDA will not:

Release the names of surface owners or tenants who receive assistance through this program

## The ombudsman will not:

Provide legal counsel or assistance in negotiating an easement

Interfere with or supersede any agreements between surface owners/tenants and pipeline companies

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## Knowledge, Skills, and Abilities

To be an effective ombudsman, the individual must have the following attributes:

- Concern for fairness
- Effective consensus-building and facilitator skills
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- Established analytical ability
- Effective stress management skills
- General knowledge of subject matter
- Keep professionally current by pursuing continuing education and training

## Primary Functions

An ombudsman has the following primary functions:

- Problem prevention
- Conflict resolution
- Communication facilitation

## Functional Description

The ombudsman will:

- Serve as a designated neutral resource for surface owners and tenants to raise concerns and request assistance to informally resolve conflicts and problems
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Support surface owners/tenants and the energy industry by using a non-regulatory approach to balance land use needs and foster the relationship between land stakeholders



## PROGRAM OBJECTIVES

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Sept. 2018



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The program also provides educational outreach to help property owners consider things such as site development, location and route of electrical distribution lines, site restoration after decommissioning and other issues before signing contracts.

### Vision Statement

The ombudsmen are the recognized lead facilitators for promoting fairness when resolving wind energy reclamation and restoration issues, concerns, and disputes.

### Mission Statement

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### Values

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Agriculture Commissioner  
Doug Goehring



# PROGRAM PROCESS

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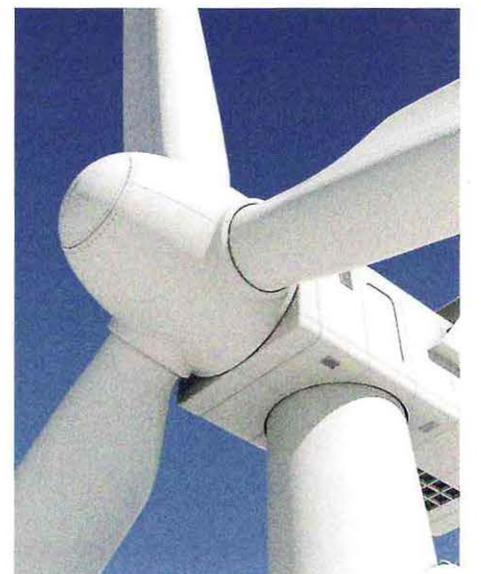
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Bismarck, ND 58505-0020  
701-328-2231 or 800-242-7535  
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Department of Agriculture  
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Sept. 2018

Sixty-eighth  
Legislative Assembly

- 1        7. By June first of each even-numbered year, the commissioner shall provide a report to
- 2            the energy development and transmission committee.

**SB2194 AMENDMENT**

**SECTION 3. AMENDMENT.** Section 38-08-04.5 of the North Dakota Century Code is amended and reenacted as follows:

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

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

- a. Contracting for the plugging of abandoned wells.
- b. Contracting for the reclamation of abandoned drilling and production sites, saltwater disposal pits, drilling fluid pits, and access roads.
- c. To pay mineral owners their royalty share in confiscated oil and to defray the expenses of the post-production royalty oversight program provided under chapter 4.1-01.
- d. Defraying costs incurred under section 38-08-04.4 in reclamation of saltwater handling facilities, treating plants, and oil and gas-related pipelines and associated facilities and to defray the expenses of the pipeline restoration and reclamation program provided under chapter 4.1-01.
- e. Reclamation and restoration of land and water resources impacted by oil and gas development, including related pipelines and facilities that were abandoned or were left in an inadequate reclamation status before August 1, 1983, and for which there is not any continuing reclamation responsibility under state law. Land and water degraded by any willful act of the current or any former surface owner are not eligible for reclamation or restoration. The commission may expend up to five million dollars per biennium from the fund in the following priority:
  - (1) For the restoration of eligible land and water that are degraded by the adverse effects of oil and gas development including related pipelines and facilities.
  - (2) For the development of publicly owned land adversely affected by oil and gas development including related pipelines and facilities.
  - (3) For administrative expenses and cost in developing an abandoned site reclamation plan and the program.
  - (4) Demonstration projects for the development of reclamation and water quality control program methods and techniques for oil and gas development, including related pipelines and facilities.
- f. For transfer by the office of management and budget, upon request of the industrial commission, to the environmental quality restoration fund for use by the department of environmental quality for the purposes provided under chapter 23.1-10, if to address environmental emergencies relating to oil and natural gas development, including the disposal of oilfield waste and oil or natural gas production and transportation by rail, road, or pipeline. If a transfer requested by the industrial commission has been made under this subdivision, the department of environmental quality shall request the office of management and budget to transfer from subsequent deposits in the environmental quality restoration fund an amount sufficient to restore the amount transferred from the abandoned oil and gas well plugging and site reclamation fund.

3. This fund must be maintained as a special fund and all moneys transferred into the fund are appropriated and must be used and disbursed solely for the purposes in this section.