

2023 SENATE ENERGY AND NATURAL RESOURCES

SB 2289

2023 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Peace Garden Room, State Capitol

SB 2289
2/2/2023

A bill relating to the energy development and transmission committee.

2:30 PM Acting Chairman Magrum opened the meeting.

Present were Chairman Patten and Senators Boehm, Beard, Magrum and Kannianen. Senator Kessel is absent.

Discussion Topics:

- Statewide energy policy
- Energy resources
- Opportunities
- Challenges
- Landowner rights

2:30 PM Senator Patten introduced the bill.

2:35 PM Troy Coons, Chairman, Northwest Landowners Association, testified in favor of the bill and provided written testimony #18856, 18857.

2:39 PM Chairman Patten closed the public hearing.

2:40 PM Senator Magrum made a motion to approve proposed amendments. Motion failed for lack of a second. #18856

2:46 PM Senator Kannianen moved to Do Pass on SB 2289. Motion seconded by Senator Beard.

2:46 PM Roll Call vote was taken.

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

Motion passed 5-0-1.

Senator Patten will carry the bill.
This bill does not affect workforce development.

2:50 PM Chairman Patten closed the meeting.

Senate Energy and Natural Resources Committee

SB 2289

02/02/23

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Rick Schuchard, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2289: Energy and Natural Resources Committee (Sen. Patten, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2289 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 HOUSE ENERGY AND NATURAL RESOURCES

SB 2289

2023 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Coteau AB Room, State Capitol

SB 2289
3/9/2023

Relating to the energy development and transmission committee.

9:44 AM

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

Discussion Topics:

- Value and conflict
- Geology
- Pore space ownership
- Company utilization
- Storage
- Legal and regulatory environment
- EmPower Commission

Sen Patten, District 26, introduced SB 2289, oral testimony
Troy Coons, Chairman, NW Landowners Association, oral testimony

9:54 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 2289
3/23/2023

Relating to the energy development and transmission committee.

10:21 AM Chairman Porter opened the meeting.

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

Discussion Topics:

- Committee action

Rep Olson moved a Do Pass, seconded by Rep Novak.

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	Y
Representative Jeremy Olson	Y
Representative Shannon Roers Jones	Y
Representative Matthew Ruby	Y

12-0-2 Motion carried. Rep Dockter is carrier.

10:23 AM Meeting adjourned.

Kathleen Davis, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2289: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB
2289 was placed on the Fourteenth order on the calendar.

TESTIMONY

SB 2289

xx.xxxx
Title.

January xx, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2289

Page 2, line 3, after "...programs." add "The committee shall develop an understanding of the financial burden of plugging and reclaiming oil locations to prevent a possible burden to the state's taxpayers and landowners."

Page 2, line 6, after "...marketing," replace "distribution, and use of energy" with "distribution, use of energy and retirement of wells including plugging and reclamation."

Page 2, line 6, after "...energy." add a new section 2:

"SECTION 2. LEGISLATIVE MANAGEMENT STUDY – CONSIDERATION OF REGULATORY MODELS FOR ADDRESSING ORPHANED AND ABANDONED WELL RECLAMATION

In conjunction with development of this policy, during the 2023-24 interim, the Legislative Management shall study regulatory mechanisms used in other states in the United States of America and those used in Canada to address the reclamation of orphaned and abandoned oil and gas wells, including but not limited to regulations addressing transfers of wells between operators, bonding and bonding amounts, use of temporary abandonment status, taxpayer funded mechanisms such as the Federal CARES Act or Abandoned Well Fund, and other ways to address reclamation of orphaned and abandoned oil and gas wells before they become the liability of the State of North Dakota and its landowners.

Testimony of Troy Coons on behalf of
Northwest Landowners Association
in favor of
SENATE BILL NO. 2289
Senate Energy and Natural Resources Committee
February 2, 2023

Chairman Patten and members of the committee, thank you for taking my testimony into consideration today.

My name is Troy Coons and I am the Chairman of the Northwest Landowners Association. Northwest Landowners Association represents over 525 farmers, ranchers, and property owners in North Dakota. Northwest Landowners Association is a nonprofit organization, and I am not a paid lobbyist.

We support SB 2289 and agree that it is wise to consider a comprehensive statewide energy policy. We also appreciate that the language of this bill recognizes the importance of “developing synergy between energy and agriculture programs.” Toward that end, we have continually raised the alarm regarding the looming problem of orphaned and abandoned wells in our oilfields. This is a major concern for landowners because North Dakota is a less mature oilfield. This is a problem that every major oil producing government in North America has faced, and we are one of the first states that has the ability to get out ahead of the problem. Our regulators are asking you to take a wait and see approach, but we are trying to raise the alarm that the wait and see attitude is exactly what regulators in other jurisdictions have warned everyone will always fail. We would ask that this committee amend the current language of SB 2289 to add in our request for a study of the issue of abandoned wells and how other jurisdictions have addressed the issue, with the goal of getting out ahead of this problem so that it is not a problem in the end for the landowners and the taxpayers.

The language of the draft amendment would take the first step in ensuring that North Dakota does not make the mistakes that other oil producing jurisdictions have made by taking a wait and see approach. We support SB 2289 and request a do pass along with the proposed amendment.

Thank you,

Troy Coons
Northwest Landowners Association