

HOUSE BILL NO. 1266

Introduced by

Representatives M. Nelson, Hunskor, Wallman

Senator O'Connell

1 A BILL for an Act to create and enact a new section to chapter 38-08 of the North Dakota
2 Century Code, relating to the reclamation, landowner inspection, and bond release for well
3 sites.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 38-08 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Well site reclamation - Surface owner review - Bond release.**

- 8 1. Any bond for plugging a well or reclaiming a well site may not be released until three
9 complete growing seasons have passed since reclamation of the well site, to allow
10 evaluation of whether plant growth on the site is normal. The first complete growing
11 season begins with the operator notifying the surface owner before March fifteenth
12 that the surface owner has control of the site and the site has been otherwise
13 reclaimed.
- 14 2. The oil and gas division shall provide forms for the surface owner or tenant of the
15 surface owner to report to the oil and gas division if the vegetation is not properly
16 growing on the site. During the evaluation period, an owner or tenant may file a report
17 of vegetation not properly growing and on receipt of a report, the division shall notify
18 the operator of the site and the division shall have the property inspected by a
19 qualified individual to determine if the vegetation is properly growing. The operator
20 may inspect the site. If the surface owner or tenant notifies the division in the third
21 growing season, to be valid the report must occur while there is vegetation to evaluate
22 and in no case later than October first.
- 23 3. If the qualified individual determines that the vegetation is not growing normally, the
24 qualified individual shall determine a cause and prepare a written plan for restoring

- 1 productivity. The plan must provide, to the extent possible, for the planting of
2 vegetation as preferred by the surface owner or tenant which has previously been
3 planted on the site. The division shall provide the operator a copy of the plan. The
4 operator shall follow the plan and incurs all costs related to implementing the plan. If
5 the plan does not include growing the preferred vegetation, the bond may not be
6 released for three growing seasons after the completion of the plan. If the plan
7 provides for growing the preferred vegetation, the plan does not end until there is
8 normal growth.
- 9 4. The bond may not be released until the operator has paid damages to the surface
10 owner and tenant for loss in production or rent, which is as elected by an entitled
11 surface owner or tenant, as appropriate.
- 12 5. If the surface owner or tenant does not notify the oil and gas division that the
13 vegetation is not growing normally within the time periods provided by this section, the
14 surface owner and tenant waive any right to seek redress for the vegetation not
15 growing normally and the bond must be released.
- 16 6. If abnormal growth is caused by salt contamination, the burden of proof that the salt
17 contamination was preexisting is on the operator of the well.