

Introduced by

Senators Bekkedahl, Patten, Unruh

Representatives Hatlestad, Jones, Steiner

1 A BILL for an Act to amend and reenact section 47-16-39.2 of the North Dakota Century Code,
2 relating to authorization for the board of university and schools lands to impose a civil penalty
3 for failure to produce records; and to provide a penalty.

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

5 **SECTION 1. AMENDMENT.** Section 47-16-39.2 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **47-16-39.2. Inspection of production and royalty payment records - Penalty.**

8 1. A royalty owner, a royalty owner's assignee, or a designated representative, upon
9 written notice, is entitled to inspect and copy the oil and gas production and royalty
10 payment records for the lease of the person obligated to pay royalties under the lease
11 or division order. The person obligated to pay royalties under the lease shall make that
12 person's oil and gas royalty payment and production records available for inspection
13 and copying at that person's usual and customary place of business within the United
14 States. A royalty owner may bring an action to compel the person obligated to pay
15 royalties to allow inspection and copying of oil and gas production royalty payment
16 records. In order for the royalty owner to prevail in such an action, the royalty owner
17 must establish that:

18 ~~1.~~ a. The royalty owner or the royalty owner's assignee complied with notice
19 requirements of this section;

20 ~~2.~~ b. The notice specified the lease involved, the time period under review and the
21 records requested;

22 ~~3.~~ c. The royalty owner notified the person obligated to pay royalties at the address
23 printed on the information statement as prescribed by rules adopted by the
24 industrial commission pursuant to section 38-08-06.3; and

