

HOUSE BILL NO. 1440

Introduced by

Representative M. Nelson

1 A BILL for an Act to amend and reenact subdivision I of subsection 1 section 38-08-04 of the
2 North Dakota Century Code, relating to temporarily abandoned status.

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

4 **SECTION 1. AMENDMENT.** Subdivision I of subsection 1 of section 38-08-04 of the North
5 Dakota Century Code is amended and reenacted as follows:

6 I. The placing of wells in abandoned-well status which have not produced oil or
7 natural gas in paying quantities for one year. A well in abandoned-well status
8 must be promptly returned to production in paying quantities, approved by the
9 commission for temporarily abandoned status, or plugged and reclaimed within
10 six months. The commission may not approve for temporarily abandoned status
11 for a period of time longer than seven years without the biannual permission of
12 the surface owner. If none of the three preceding conditions are met, the
13 industrial commission may require the well to be placed immediately on a
14 single-well bond in an amount equal to the cost of plugging the well and
15 reclaiming the well site. In setting the bond amount, the commission shall use
16 information from recent plugging and reclamation operations. After a well has
17 been in abandoned-well status for one year, the well's equipment, all well-related
18 equipment at the well site, and salable oil at the well site are subject to forfeiture
19 by the commission. If the commission exercises this authority, section 38-08-04.9
20 applies. After a well has been in abandoned-well status for one year, the
21 single-well bond referred to above, or any other bond covering the well if the
22 single-well bond has not been obtained, is subject to forfeiture by the
23 commission.