15.1015.02000

FIRST ENGROSSMENT

Sixty-fourth Legislative Assembly of North Dakota

ENGROSSED SENATE BILL NO. 2374

Introduced by

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Senators Wardner, Warner

Representatives B. Anderson, Mock

- 1 A BILL for an Act to create and enact two new sections to chapter 38-08 of the North Dakota
- 2 Century Code, relating to regulation of gathering pipelines; to amend and reenact subdivision d
- 3 of subsection 1 of section 38-08-04 and subsection 3 of section 38-08-04.5 of the North Dakota
- 4 Century Code, relating to the abandoned oil and gas well plugging and site reclamation fund;
- 5 and to provide for a legislative management study.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- SECTION 1. AMENDMENT. Subdivision d of subsection 1 of section 38-08-04 of the North
 Dakota Century Code is amended and reenacted as follows:
 - The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with this chapter, and the rules and orders of the industrial commission, including and without limitation a bond covering the operation of an underground gathering pipeline carrying crude oil or produced water, except that if the commission requires a bond to be furnished, the person required to furnish the bond may elect to deposit under such terms and conditions as the industrial commission may prescribe a collateral bond, self-bond, cash, or any alternative form of security approved by the commission, or combination thereof, by which an operator assures faithful performance of all requirements of this chapter and the rules and orders of the industrial commission.
 - **SECTION 2. AMENDMENT.** Subsection 3 of section 38-08-04.5 of the North Dakota Century Code is amended and reenacted as follows:
 - 3. All moneys collected under this section must be deposited in the abandoned oil and gas well plugging and site reclamation fund. This fund must be maintained as a special fund and all moneys transferred into the fund are appropriated and must be

1	used and disbursed solely for the purpose of defraying the costs incurred in carrying
2	out the plugging or replugging of wells; the reclamation of well sites; mitigation of gas
3	or liquid gathering pipeline leaks, including produced water pipeline leaks; and all
4	other related activities.
5	SECTION 3. A new section to chapter 38-08 of the North Dakota Century Code is created
6	and enacted as follows:
7	Controls, inspections, and engineering design on crude oil and produced water
8	underground gathering pipelines.
9	The operator of any underground gathering pipeline designed for or intended to transfer oil
0	or produced water from a production facility for disposal, storage, or sale purposes and placed
11	into service after April 1, 2016, shall file with the commission engineering design drawings of the
2	underground gathering pipeline and a certificate of an independent inspection of the pipeline.
3	The commission shall set standards for the certificate of inspections. The commission shall
4	designate flow meters, overpressure protection devices, or alternative leak detection and
5	monitoring technologies that an operator of the pipeline shall install on these pipelines.
6	SECTION 4. A new section to chapter 38-08 of the North Dakota Century Code is created
7	and enacted as follows:
8	Inspection of pipelines.
9	Any person engaged in the construction, operation, or servicing of an underground
20	gathering pipeline, including a produced water pipeline, shall allow the commission, the division
21	of oil and gas of the industrial commission, and any representative of the same to enter any
22	lease, property, and pipeline right of way operated or controlled by that person and to review
23	any record and the operation of the pipeline. The person shall file any requested records with
24	the commission. If the commissioner receives data under this section which is confidential
25	under section 38-08-26, that data retains its confidential status.
26	SECTION 5. LEGISLATIVE MANAGEMENT STUDY - PIPELINE SAFETY
27	TECHNOLOGY. During the 2015-16 interim, the legislative management shall consider
28	studying technology that may be used on pipelines to detect or prevent leaks. The study must
29	include a review of flow meter technology and new advances in the industry. The legislative
30	management shall report its findings and recommendations, together with any legislation
31	required to implement the recommendations, to the sixty-fifth legislative assembly.