

Mr. Chairman and Members of the Energy Committee:

My name is Gregory G. Tank. I grew up in McKenzie County, North Dakota, will be 62 in May, and was told by my grandparents at the age of 7, to be very alert when dealing with the oil industry. Time after time, I have found their cautioning to be both prophetic and their worries clearly understated.

There are locations on my land that are not totally reclaimed to a productive state or reclaimed to the condition prior to drilling commencement. One location still has the pipe still sticking out of the ground from the prior well that was drilled there. At another well location, the equipment is still present, although the company says they're not operating the well. These wells range in age from 5 years to over 50 years since the activity commenced on these sites.

I have had very limited success with the involved oil companies being willing to reclaim locations to productive states or even to start reclamation at these sites. In several instances, pits left by drilling operations were trenched to drain these pits into the area surrounding the pit without cleaning out the pit. One of these pits was drained onto my property and contaminated its spring water. Contents of a different drilling pit leached into another spring on my land that drains to a couple of dams.

The loss incurred by my family undoubtedly will never be repaid by the oil industry. The State of ND and these oil companies are profiting from their activities, and I believe it is unjust that these companies are not being held accountable for the damage they leave on our lands. The longer these unjust acts are allowed to continue, the more these companies gain and the more my family and I lose.

After a year of doing nothing, these companies believe they have gotten away without reclaiming and paying damages for their activities. The bonding for these companies appears to be very inadequate, so bonding requirements should be investigated to prevent situations like I find myself in. Currently if a company decides its liabilities to the landowner are too high, it declares bankruptcy, leaving the landowner to pay for reclamation and repair the damages himself; NDIC told me they didn't have enough money to reclaim damaged areas on my land.

My situation came about due to the mineral owner's lease that started the drilling on my land. Then the operator developed the lease, and at some point NDIC got involved to control the situation and development of the operator's leases and mineral owners' leases to develop the minerals on my land. The development of minerals thus is making me, the landowner, suffer all the loss in the value of the land—the loss being, in most cases, many more times the current value of the land. Your help is needed to solve this problem.

NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

10165

Wesley D. Norton
DIRECTOR

F. E. Wilborn
ASSISTANT DIRECTOR

Clarence G. Carlson
GEOLOGIST

Charles Koch
ENGINEERING DEPT.

Doren Dannewitz
FIELD SUPERVISOR

Glenn Wollan
RECLAMATION SUP.

March 4, 1991

Mr. Ron Evitt
Jettison, Inc.
P.O. Box 562
Williston, ND 58802-0562

RE: White Eagle #42-22
SE NE Sec. 22-151N-96W
Well File No. 10165

Dear Mr. Evitt:

The above captioned well last produced in February 1990. Section 43-02-03-55 of the North Dakota Administrative Code states that failure to produce a well for one year is evidence of abandonment of a well and such wells shall be plugged and abandoned and the sites restored.

Please submit for approval plug and abandonment procedures. If the well is to be utilized in the future, a temporary abandonment status may be granted for one additional year after the perforations have been isolated and a pressure test performed to verify integrity of the casing. This test must be witnessed by a state field inspector. If you have any questions, feel free to contact our office.

Sincerely,

John Axtman
John Axtman
Field Inspector

JA/kl



NORTH DAKOTA INDUSTRIAL COMMISSION
OIL AND GAS DIVISION

WESLEY D. NORTON
Chief Enforcement Officer

F. E. WILBORN
Deputy Enforcement Officer

CLARENCE G. CARLSON
Geologist

CHARLES KOCH
Engineering Dept.

DOREN DANNEWITZ
Field Supervisor

KEN KALLESTAD
Reclamation Sup.

DATE: August 8, 1984

Williams Exploration Company
1125 17th St.
Ste. 2100
Denver, Colorado 80201

Dear Sirs:

This letter is to notify you that the well site(s) listed below have been approved by our field personnel in regard to surface restoration.

Also, our files indicate that all reports and logs have been properly filed, and the well(s) listed are hereby removed from your bond.

Sincerely yours,

Linda Bjerklie

Linda Bjerklie
Permit/Bond Secretary

/lb

#10084-Undlin #31-13, NW SW Sec.13-159N-83W, Bottineau Co.

#5249-C. W. Kerr #1A, NE NW Sec.8-150N-96W, McKenzie Co. (Rainbow Resources)



26-93/2014

NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

1412

Wesley D. Norton
DIRECTOR

Charles Koch
ENGINEERING DEPT.

F. E. Wilborn
ASSISTANT DIRECTOR

Doren Dannewitz
FIELD SUPERVISOR

Clarence G. Carlson
GEOLOGIST

Glenn Wollan
RECLAMATION SUP.

May 22, 1991

Texaco E & P Inc.
P.O. Box 46510
Denver, CO 80201-6510

RE: BOND NO. 301505

Gentlemen:

The following well sites have been approved by our field personnel in regard to surface restoration and our files show that all reports, logs, samples and cores have been properly filed; therefore the following wells are released from your Bond No. 301505.

SEE ATTACHED LIST

In the future, if slumping of the pit and/or trenches, erosion, casing leaks, or similar problems, should occur, you will be required to correct the problem.

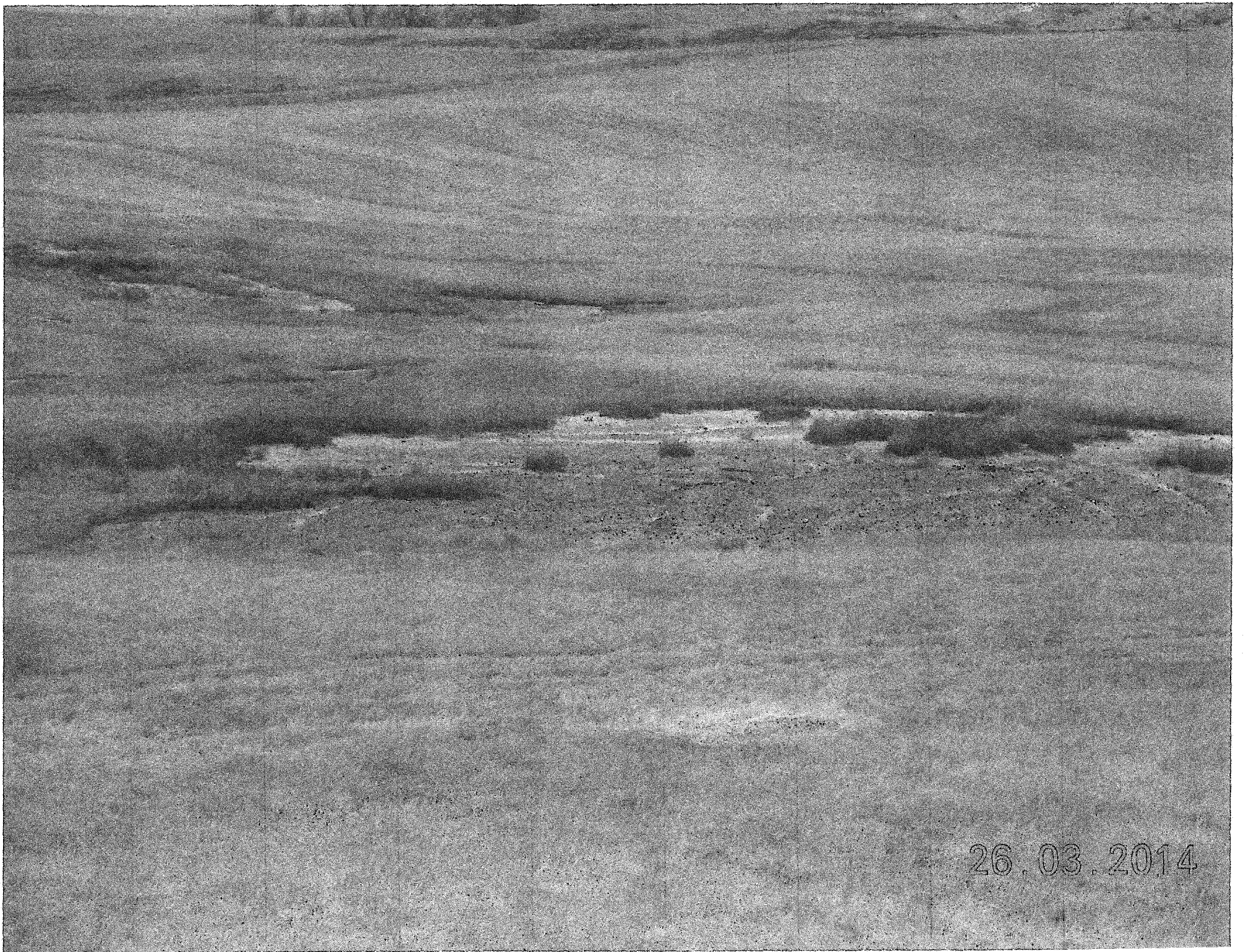
Sincerely,

F. E. Wilborn /mr

F. E. Wilborn
Assistant Director

FEW/mr

cc: Insurance Co. of N. America
P.O. Box 1190
Minneapolis, MN 55440



26.03.2014

February 24, 2014

Cody VanderBusch
Reclamation Director
Oil and Gas Division
North Dakota Industrial Commission
600 East Boulevard Ave., Dept. 405
Bismarck, ND 58505-0840

Re: Well File #12455, Tank #13-10

Dear Mr. VanderBusch:

I write on behalf of my client, Greg Tank, regarding the above-referenced well, considered abandoned by NDIC since May 8, 2012. On February 11, 2014, NDIC acknowledged receipt from Citation Oil of a \$115,000 plugging and reclamation bond for this well.

Citation long ago passed the six month statutory deadline to plug and reclaim this abandoned well. According to Citation's own admission in recent litigation, the well has not been pumped or otherwise operated since September 2008 (see enclosure). NDIC sent Citation letters in December 2011 and May 2012, warning each time that the well had not produced oil or gas in paying quantities in over a year. The 2012 letter placed the well on abandoned-well status effective immediately. Finally, in January 2014, NDIC was forced to follow through and demand a bond from Citation under the authority of N.D.C.C. § 38-08-04.

Mr. Tank has prevailed in litigation to recover his full rights to the mineral resources on the quarter section where this well is located. An appeal by Citation is now pending before the ND Supreme Court of the district court's order holding that the Tank Lease on the SW¼ of Township 151 North, Range 96 West, Section 10, has expired. The outcome of this appeal will not, however, change the following:

N.D.C.C. § 38-08-04 gives the Industrial Commission the authority to require that "[a] well in abandoned-well status must be promptly returned to production in paying quantities, approved by the commission for temporarily abandoned status, or plugged and reclaimed within six months." Citation met none of these requirements, so the Commission was forced to move to the next alternative, requiring a bond. "After a well has been in abandoned-well status for one year, the single-well bond referred to above ... is subject to forfeiture by the commission." *Id.* Finally, the N.D. Administrative Code requires:

Cody VanderBusch

February 24, 2014

Page 2

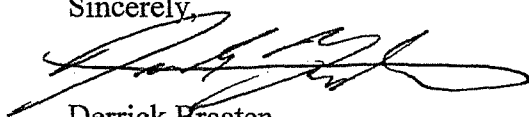
Within a reasonable time, but not more than one year, after a well is plugged, or if a permit expires, has been canceled or revoked, the well site, access road, and other associated facilities constructed for the well shall be reclaimed as closely as practicable to original condition.

NDAC 43-02-02-24.2 (emphasis added).

The well has not produced or injected since September 2008 – more than five years. On behalf of Mr. Tank, I write to request that the Commission act on its authority to seize Citation's bond and act immediately to plug and reclaim the well.

Thank you very much for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Derrick Braaten", written over a horizontal line.

Derrick Braaten

Enclosure

Copy: Client ✓

without waiving any of the foregoing objections, Defendants respond as follows: The Tank 13-10 well ceased production in paying quantities in September 2008.

INTERROGATORY NO. 9: Please state the amount the operator paid to “pump” or oversee the Tank 13-10 well by field personnel, employed or by contract, for each month starting in September 2008 through April 2012.

ANSWER: Defendants object to Interrogatory No. 9 on the grounds that it is overbroad and unduly burdensome, to the extent the Plaintiff already possesses the information requested, to the extent it seeks information that is neither relevant to the subject matter at issue nor reasonably calculated to lead to the discovery of admissible evidence, and to the extent it seeks information that is confidential and/or proprietary in nature. Subject to and without waiving any of the foregoing objections, Defendants respond as follows: The Tank 13-10 well was not pumped or otherwise operated from September 2008 through April 2012.


INTERROGATORY NO. 10: For each month starting in September 2008 and ending April 1, 2012, please state by category expenses which were attributable to the Tank 13-10 well and what the amount was for each category of expense for each such month.

ANSWER: Defendants object to Interrogatory No. 10 on the grounds that it is overbroad and unduly burdensome, to the extent the Plaintiff already possesses the information requested, to the extent it seeks information that is neither relevant to the subject matter at issue nor reasonably calculated to lead to the discovery of admissible evidence, to the extent it is duplicative of Plaintiff’s previous discovery requests, and to the extent it seeks information that is confidential and/or proprietary in nature. Subject to and without waiving any of the foregoing objections, the Tank 13-10 well was not pumped or otherwise operated from September 2008 through April 2012.

AS TO RESPONSES AND OBJECTIONS:

DATED this 12th day of July, 2012.

FREDRIKSON & BYRON, P.A.

By 

LAWRENCE BENDER, ND Bar #03908

AMY L. DE KOK, ND Bar #06973

JILLIAN RUPNOW, ND Bar #06937

Attorneys for Defendants

Citation Oil & Gas Corp. and

Citation 2004 Investment Limited

Partnership

200 North 3rd Street, Suite 150

Post Office Box 1855

Bismarck, North Dakota 58502-1855

Telephone: (701) 221-4020

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on July 12, 2012, the foregoing document was served by placing the same in the United States mail, postage prepaid, properly addressed to the following:

Dennis Edward Johnson
JOHNSON & SUNDEEN
109 5th Street Southwest
P.O. Box 1260
Watford City, ND 58854-1260

John W. Morrison
CROWLEY FLECK, PLLP
400 E. Broadway, Ste. 600
P.O. Box 2798
Bismarck, ND 58502-2798

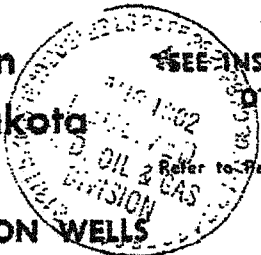


AMY L. DE KOK

5163359_3.DOC

Well file

Industrial Commission
of the State of North Dakota



SEE INSTRUCTIONS ON
OTHER SIDE

FORM 4

Refer to Permit No. 8873

SUNDRY NOTICES AND REPORTS ON WELLS

1. Notice of Intention to Drill or Redrill _____		7. Report of Casing _____	
2. Notice of Intention to Change Plans _____		8. Report of Redrilling or Repair _____	
3. Notice of Intention to Pull Casing _____		9. Supplementary History _____	
4. Notice of Intention to Abandon Well _____		10. Well Potential Test _____	
5. Report of Water Shut-Off _____		11. Restore Location _____	X
6. Report of Shooting or Acidizing _____		12. _____	

(Indicate nature of notice by proper check mark in space above)

NAME OF LEASE George Tank Date August 23, 1982

WELL NO. 2 is located 1980 ft. from ~~WEST~~ (S) line and 1980 ft. from the (E) ~~WEST~~ line of

Section 27 Township 151 N Range 96 W in McKenzie County

Camel Butte Field Duperow Pool. The elevation of the G.L. is 2350 feet above sea level.

Name and Address of Contractor, or Company which will do work is:

(DETAILS OF WORK)

(State names of, and expected depth of objective sands; show sizes, weight, and lengths of proposed casing, indicate mud weights, cementing points, and all other details of work).

To restore this producing property in accordance to Order No. 2306.

Work will commence approximately 9-1-82.

Salt water in pit is being hauled by Matador and disposed in Montana.

Drilling mud in pit will be trenched and properly covered.

Petro-Lewis Corporation will be responsible for re-seeding location.

Dirt contractor will be Haugen Construction Service, Inc., P.O. Box 963 in Minot, North Dakota 58701.

Company Petro-Lewis Corporation
Address 550 So. 29th Street West
P.O. Box 21497, Billings, MT 59104
By H. L. Riedl H. L. Riedl
Title District Superintendent

Do not write in this space
Approved 8-27 1982
By Kenneth Kallstad
Title Reclamation Supervisor