

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Revised
 Bill/Resolution No.: HB 1259

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Section A and Section B of this bill each require a performance audit by our office.

This bill would have no fiscal impact on our office.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 and section 2 - With our existing staff we might be unable to do any other performance audits, in order to complete these two performance audits.

This bill would have no fiscal impact on our office.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

N/A

Name: Edwin Nagel

Agency: Office of the State Auditor

Telephone: 328-2241

Date Prepared: 01/15/2015

2015 HOUSE POLITICAL SUBDIVISIONS

HB 1259

2015 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

HB 1259
2/5/2015
23298

- Subcommittee
 Conference Committee

Amomola Muscha

Explanation or reason for introduction of bill/resolution:

Providing for performance audits of the oil and gas division of the industrial commission and the state department of health

Minutes:

Testimony 1,2,3,4,5

Chairman Klemin: Opened the hearing on HB 1259

Representative Onstad: Testimony 1

Representative Hatlestad: We already have someone who can request this. Why do we need the bill?

Representative Onstad: The request hasn't been made.

Representative Hatlestad: By whom?

Representative Onstad: They haven't had a performance audit be made. No one has asked.

Representative Hatlestad: I sit on the committee and no one has brought forth a request form either political party. If one was brought forward they would have one.

Representative Onstad: Coming forward here is not unusual a performance audit be formed we want to be sure that someone will pick this up and look at it. This is an alternative. Our request today is not unusual

Representative Beadle: When was the last time a thorough audit has been done of that area and how frequently?

Representative Onstad: To my knowledge a performance audit has never been done not in the last ten years.

Representative Beadle: There is no fiscal not because it is part of the auditor's budget. Do they already plan on doing it?

Representative Onstad: The cost in is their budget to do budgets, if they need help they get it. I am not sure what they cost will be in the end but it is in their preview. If they find something wrong they should go forward.

Representative Beadle: Audits are not cheap and I approve of them but just because they have the budgets to do them they must have a certain type or quantity to do them. If there would be no fiscal impact this would be part of their budget?

Representative Onstad: By statute all agencies are required to have an audit but not a performance audit. It is a special request.

Representative Nelson: Testimony 2

Representative Kelsh: There is no law that forces them to do this?

Representative Nelson: It is law that they inspect but what form of records is not on law. Much of this is not confidential and there is no reason as to why this shouldn't be more easily accessed

Richard Marley: It is a bill to conduct performance audits of the oil and gas division of the industrial commission and the state department of health. It is important that continues doing so. It is the largest revenue maker in the state. The audits should include the performance and enforcement of the rules and policies to ensure that the industry is in compliance with the waste management. This is important foot the health and safety for our citizens.

Daryl Peterson: Testimony 3

Representative Kelsh: How large is the saltwater spill, how long has it been there, and what is their progress of reclamation?

Daryl: It has been there a number of years but there are multiple all doing great harm. It is spreading like cancer, and they have done some reclamation but not to standards.

Representative Klein: What response have you gotten from the company or state regarding cleanup?

Daryl: I did my own testing when they did the cleanup for a 2 month period and during that time we received a notice that the reclamation was done. We asked them to relook at it but they have not.

Representative Klein: Is this farm land? How much?

Daryl: It is prime farmland and we have planted them the last two seasons which all fail. It is about 5-6 acres and we have found more areas that have areas of chlorine.

Galen Peterson: North West Land Owners association and we have 450 members supporting this bill.

Dorothy Ventsch: I see and hear multiple problems caused by the oil industry. I believe elected officials in North Dakota and the people appointed buy them and employed in state agencies are responsible for protecting the state's residents and natural resources from damage caused by oil extraction or industry. There should be an evaluation of the job performance. The department of health and the oil and gas division both have critical jobs to ensure things are done right. If not done right, there will be consequences. The number of spills is very alarming.

Vincent: I am a Bellfield kid. I have seen the good and the bad and there are concerns forming. We have fractured enforcement setting. We have the health department, the water commission, oil and gas division, game and fish department, and feds, so nothing could be more assuring as to having someone coming in and finding the gaps. The gaps are serious. Rules are not being backed up by training or forms. My family used to hope to own an oil well but now I am glad we didn't. Depending on spacing, the consequence of the byproduct left behind is different. Also depending on the hydrology area (the disaster zone) we have the deficiency of agency performance and monitoring the spills. We have agencies that have not taken into account of the vastness of leeching from sight to sight, especially in the low, wet, flat areas. You will see an overlapping of leeching that is obliterating townships and the people haven't done a thing to help. Which agencies will take action and use their money?? There are recent and old spills all damaging. They are vast destructions that spread. We have a destruction of farmland, plumes, there are on average 250 tons of salt in these pits. Who is taking note of that? We have a huge disaster on these old oil fields. If we don't get a grip on this we will have major disasters. Let an independent group come in. It is your responsibility to protect the soil and the people's right to protect the water. Get this done it is 60 years overdue.

Opposition:

Fred Anderson: Testimony 4

Representative Beadle: Can we get a copy of that audit?

Fred Anderson: Yes

Representative Anderson: So there is nothing we can do about these spills?

Fred Anderson: There are many ways to look at these issues and what we can do. There are people looking to find ways to fix these issues.

Representative Kelsh: It seems like we have 4 regulatory agencies that are responsible for these spills. Are there clear lines of what each agency is supposed to do?

Fred Anderson: No I don't think that is happening. Since we do work hand in hand we do understand where our roles and responsibilities are. As new things come up we are constantly provided with new ways to do things differently.

Representative Klein: In your division, how many full time slots have you added and how many vacancies do you have?

Fred Anderson: We have added 25 new positions and we have asked to add more. Right now we have 5 open positions in field positions. We are trying to staff those positions with qualified personnel.

Representative Klein: Do you have problems trying to find people to do this work?

Fred Anderson: It is hard to find qualified people. We have done housing allowances, field operational pay (oil patch differential) has helped to track and lure qualified people.

Representative Klein: How many positions that you have lost went to the oil companies that came out of your department?

Fred Anderson: I can think of three instances where three people have turned down offers that we have given because the offers that the industry can make are more attractive.

Representative Zubke: It is not clear who can perform the audit? Who did the audit?

Fred Anderson: That was performed from the state auditor's office. We provided them with the info they needed.

Representative Koppelman: Was it a performance audit or was it something different and how would they differ if so?

Fred Anderson: This was intended as a fiscal type audit however a performance component was added to that and so we both did a full financial fiscal audit and participated in a performance audit of the oil and gas division's regulatory programs.

Representative Oversen: I am looking at a performance and operation audit. I pulled up both under game and fish and their operation audit was similar to saying what you received. When you look at the performance audit it resulted in 44 formal recommendations, noncompliance of laws. So it seemed they looked at something completely different than what the operational audit looked at. Is it your opinion that you would get nothing more out of a performance audit that would help?

Fred Anderson: Hard question. The components of the audit we had are performance related. There was more duplication in an effort such as what is being proposed as compared to what we just experienced.

Representative Oversen: It does one issue was the inspection reports that a land owner might have access to. I am reading that and it is just check the gauges with no follow up. Can you comment on the process of how we can improve inspections and how it works?

Fred Anderson: As far as detailed procedures regarding to data base entry if someone is out doing inspection those are specific examples being used to illustrate a point and what we may be missing is the comprehensive nature of the data apposition that we do complete when we are out doing field inspections. Many of our staff has over 30 years of experience have seen development. We have a wealth of inspection out there. The level of detail needed for an inspection is out there to the extent it can be. There are always opportunities for improvement.

Representative Oversen: If there are areas of improvement from my level of view of these departments you're over worked and under staffed without somebody from the outside looking in saying where you can improve how do you take time as an agency to look in detail at those areas and saying how and where you can improve.

Fred Anderson: It is North Dakotans doing North Dakotan work. How can we do this better today is what we think every day.

Representative Kelsh: The audit had components of a performance; did you have a full performance audit?

Fred Anderson: I am not sure what a full performance is but there is a vast amount of duplication between the two audits. They look at our performance measures.

Representative Kelsh: I sat on a committee last year and they got into a situation where there was something they didn't know. It then went into a performance audit where they found a lot of things that weren't right. Full performance audit point out things you are supposed to be doing. I think you should look a little farther.

Representative Maragos: Someone from the auditors department

Jason Weil: I am neutral Testimony 5

Representative Maragos: With regard to Anderson's testimony did you have an expanded audit of that division? Was it requested? How expanded on it came about?

Jason Weil: Quite a few years ago our office came to the legislative audit and fiscal review committee to move the 2 year audits under different auditing standards so now they are conducted under performance audit standards in relation to looking at controls as it relates to your financial statements, information. It does provide the 2 year audits if time allows for the people to look into certain areas of an audit that may be high risk. There was a limited review conducted of that area. We did make some informal recommendations, I think that even in the limited review that the entity was not conducting inspections in well sights timely and within the goals established by the agency I can read a recommendation that states that specifically, so the work that would have been performed would have been something that came up as high-risk, they had an amount of time, they believed in their budget to review that, and would have performed a limited review of information in that area.

Representative Anderson: Do you think a performance audit should be done similar what was done on game and fish?

Jason Weil: It is up to the legislative body.

Representative Anderson: A performance has never been done?

Jason Weil: No it has not.

Representative Kelsh: What triggers a performance audit decision?

Jason Weil: When the state auditor in the past has selected performance audits to be performed it usually comes through a process that our office follows as far as looking at trends and information. We maintain a list to select audits of our top five areas we would like to address moving forward.

Representative Maragos: To your knowledge has a performance knowledge been done of the health department?

Jason Weil: Certain aspects of health, vaccine for children had a performance, there was a review of the family health division, but nothing of my knowledge related specifically to the requirements in this bill as it relates to health.

Representative Koppelman: You talked about two ways performance audits happen and you said sometimes it is a request of laffercy, or at the option of the auditor, and you also said you had a priority list. If this type of audit is passed where would it be on the priority list?

Jason Weil: The third way a performance audit has been done is through a session law as well. In relation to oil and gas division but it is in the top 5.

Representative Koppelman: This fiscal note different? You estimate the cost at zero and yet you say if we do this we can't do anything else? You also have other requests? How would this work?

Jason Weil: With the performance audit section as long as the funding stays in our bill for that section those general funds are there. We will continue doing performance audits whether it is the two requested in the bill or legislative fiscal review committee, those selected by the state auditor we will continue to conduct audits with the funding. We don't expect a consultant to be hired it won't change the fiscal impact with our office. We carry out the function either way.

Representative Koppelman: If we do this thing we can't do the other two? Why aren't we seeing a fiscal impact?

Jason Weil: We would still get requests. We have two ongoing and would maybe put them on hold.

Chairman Klemin: Closed the hearing on HB 1259

Chairman Klemin: Opened discussion on HB 1259

Representative Koppelman: I have mixed emotions; there has been reasonable discussion for this audit. The one done was not a full performance audit but they touched on parts. The auditor does have it high on the priority list but my concern is the fiscal note and that if we ask them to do this, this will be the only thing they will do. If they would hire more people then it would have a fiscal impact and it would need to be redone. I would move a do not pass and see if the auditor will pick this up.

Representative Haltestad: Second the motion.

Representative Maragos: I sit on legislative audit and fiscal review. I agree that the performance needs to be done. I will vote for the do not pass with the full knowledge that I will make the same motion at the next legislative audit and fiscal review but I do not want this performance audit to move in front of the audits we have already scheduled. We can get this done plus once we add this performance on it we will have the auditor come and tell us if he has enough money in his budget.

Representative Hatlestad: I agree. The legislative audit and fiscal review committee is there for a reason and as far as I know we have not had a request but we will now.

Representative Klein: One of the problems is the man power. The audit would substantiate as it goes along.

Representative Beadle: The other option is SB 2004 about the auditor's budget.

Representative Anderson: What are the other audits that would be ahead of this?

Representative Kelsh: The last audit that was requested was audit of the foundations in NDSU, UND, and Dickinson, and I will resist this motion based on what we heard from the auditor that he thinks this needs to be done. If we let this go it will not get any better.

Representative Maragos: The auditor did not take a position. I will make the motion at the next meeting and I may call a special meeting but I prefer we continue with the two we have then add this one.

Representative Kelsh: I meant to emphasize the audit hasn't been done.

Representative Strinden: Do you know how many of the audits that the committee does are directives of the legislature versus how many come out of your committee?

Representative Maragos: I don't have the exact facts but the committee and auditor's office institute most of the performance audits. I did ask Jason if Mr. Anderson was correct that there was an additional review and he responded that there was. His response he tried to indicate that it was based on new reporting requirements of the fiscal audit aspect of it, so I thought he was covering there as to why the additional review. I think Mr. Anderson understood what was done. I think Jason said it was an informal finding. Formal findings require a response and a satisfactory response.

Representative Anderson: I don't want my name on this vote that I was opposed to a performance audit for this when one has never been done.

Representative Koppelman: I think it raises a good point and that is how votes can be misconstrued. Everyone says things need to be done we are just figuring how and when. When people ask why you voting the way you did it gives you a chance to explain.

Representative Kelsh: I trust both of Hatlestad and Maragos will follow through but I am going to oppose the motion.

A Roll Call Vote Was Taken: Yes 8, No 5, Absent 1 (Toman)

House Political Subdivisions Committee

HB 1259

2/5/2015

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Motion carries

Representative Hatlestad will carry the bill

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1259**

House Political Subdivisions Committee

- Subcommittee Conference Committee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Other Actions: Reconsider _____

Motion Made By Koppelman Seconded By Hatlestad

Representative	Yes	No	Representative	Yes	No
Chairman Lawrence R. Klemin	X		Rep. Pamela Anderson		X
Vice Chair Patrick R. Hatlestad	X		Rep. Jerry Kelsh		X
Rep. Thomas Beadle		X	Rep. Kylie Oversen		X
Rep. Rich S. Becker	X		Rep. Marie Strinden		X
Rep. Matthew M. Klein	X				
Rep. Kim Koppelman	X				
Rep. William E. Kretschmar	X				
Rep. Andrew G. Maragos	X				
Rep. Nathan Toman	/				
Rep. Denton Zubke	X				

Total (Yes) 8 No 5

Absent 1 Toman

Floor Assignment Hatlestad

If the vote is on an amendment, briefly indicate intent:

motion carries

REPORT OF STANDING COMMITTEE

HB 1259: Political Subdivisions Committee (Rep. Klemin, Chairman) recommends DO NOT PASS (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1259 was placed on the Eleventh order on the calendar.

2015 TESTIMONY

HB 1259

HB 1259

Good Morning Chairman Klemin and members of the Political Subs Committee Representative Kenton Onstad, District 4, Parshall. You have before you HB 1259 asking for a performance Audit of Oil and Gas division of the Industrial Commission and a similar performance Audit of ND Health Department , more specific to the waste rules pertaining to oil and gas waste.

This bill comes before you today at the request of the NorthWest Landowners, Dunn County Landowners , Mckenzie County Landowners and the public concerned for the future of North Dakota. Recent articles in the NY Times, Washington Post, Dickinson Press and other local newspapers leads to public unrest. Proposed rule changes by both Oil and Gas Division and Health Department for new waste rules bring skepticism. A performance audit is both healthy and good for the agency.

The language in the bill is self- explanatory of what is required and what is being asked for but to understand why the bill is before you is for several reasons.

First, our agencies do undergo an audit as required by law. They do not or very seldom have a performance audit of their agency. The Industrial Commission, which includes the Oil and Gas Division, most recent audit was for the biennium ended June 30, 2013 and Health Department was the same, June 30, 2013. I have attached their compliance pages from each audit.

A typical agency audit is a general audit covering current standards and practices. They look at financial compliance with allowed appropriations and practices that align with our statutes. Basically what was passed and that or any particularly agency is following general guidelines.

A performance audit looks into the agencies rules and determines if they are being followed and correct practices are being used. They can then narrow their focus to any particular section or area and make recommendations and their findings to that particular agency if they find discrepancies.

A performance audit can help settle any public concerns that maybe started with a NY Times article, a local reporter or other public unrest. It can bring those arguments to rest or will foster further concerns that current rules and regulations are not in compliance.

The current directors should have nothing to fear if they are in compliance. Yet the public would like to get a check on two agencies that are constantly in the news. Oil and Gas development has been a quiet blessing to many but challenges continue to plague the industry. Many are concerned what the State will look like in 10-20 years. Decisions these two agencies make will only tell in the future if they are correct one.

I believe we have many good rules and laws on the books. Regulations they have adopted will set the stage for the future. Let's see if the rules are being complied to and enforced as intended.

The past retired assistant Auditor has stated many times performance audit are a great checks and balance for our state. They reveal weaknesses and also strengths for our agencies. We should perform more of them.

I have enclosed current rules and regulations. I would like to cover shortly. You also have testimony, and specific rule violations from individuals. That is for your information.

Thank you Mr. Chairman and committee members. I stand for any questions

Thank you

Representative Kenton Onstad

Management Letter (Informal Recommendations)

June 30, 2014

Ms. Karlene Fine
Executive Director
Industrial Commission
600 E Boulevard Avenue
Bismarck, ND 58505

Dear Ms. Karlene Fine:

We have performed an audit of the Industrial Commission for the biennium ended June 30, 2013, and have issued a report thereon. As part of our audit, we gained an understanding of the Industrial Commission's internal control structure to the extent we considered necessary to achieve our audit objectives. We also performed tests of compliance as described in the same report.

Our audit procedures are designed primarily to enable us to report on our objectives including those related to internal control and compliance with laws and regulations and may not bring to light all weaknesses in systems and procedures or noncompliance with laws and regulations which may exist. We aim, however, to use our knowledge of your organization gained during our work to make comments and suggestions which we hope will be useful to you.

In connection with the audit, gaining an understanding of the internal control structure, and tests of compliance with laws and regulations referred to above, we noted certain conditions we did not consider reportable within the context of your audit report. These conditions relate to areas of general business practice or control issues that have no significant bearing on the administration of federal funds. We do, however, want to present our recommendations to you for your consideration and whatever follow-up action you consider appropriate. During the next audit we will determine if these recommendations have been implemented, and if not, we will reconsider their status.

The following present our informal recommendations.

REVENUE

Informal Recommendation 13-1: We recommend the Industrial Commission reconcile the total revenue received from the federal government to the total revenue recorded in the state's accounting system.

Informal Recommendation 13-2: We recommend the Industrial Commission reconcile permits issued in the Risk Based Data Management System to permit revenue recorded in the state's accounting system.

ACCOUNTS PAYABLE/EXPENDITURES

Informal Recommendation 13-3: We recommend the Industrial Commission code expenditures to the proper appropriation class.

PAYROLL

Informal Recommendation 13-4: We recommend the Industrial Commission update their policy for recruitment and retention bonuses to properly reflect the positions that receive these bonuses.

LEGISLATIVE INTENT

Informal Recommendation 13-5: We recommend the Industrial Commission follow OMB policies for honorariums and taxable meals.

Informal Recommendation 13-6: We recommend the Industrial Commission perform a fraud risk assessment at least every biennium in accordance with OMB Policy.

OPERATIONAL

Informal Recommendation 13-7: We recommend the Industrial Commission review and approve the prior meeting's minutes.

Informal Recommendation 13-8: We recommend the Division of Oil and Gas:

- Ensure field inspections of well sites are completed timely and within the timeframe goals established by the agency
- Document supervisory review of field inspection results to ensure documentation is adequate, conclusions are appropriate, and any violations are followed-up on in a timely manner.
- Document management analysis of violations found to determine if any changes to operations at the agency, North Dakota Century Code, or North Dakota Administrative Code need to be made or proposed.

Informal Recommendation 13-9: We recommend the Division of Oil and Gas have an independent review and approval of all permits issued.

Management of the Industrial Commission agreed with these recommendations.

I encourage you to call myself or an audit manager at 328-2241 if you have any questions about the implementation of recommendations included in your audit report or this letter.

Sincerely,



Angela Klubberud, CPA
Auditor in-charge

Compliance With Legislative Intent

In our audit for the biennium ended June 30, 2013, we identified and tested the Industrial Commission's compliance with legislative intent for the following areas we determined to be significant and of higher risk of noncompliance:

- Compliance with the Industrial Commission's jurisdiction and authority to enforce the provisions related to the control of gas and oil resources (North Dakota Century Code section 38-08-04).
- Compliance with the Industrial Commission's jurisdiction and authority to enforce the provisions related to the control of geophysical exploration (North Dakota Century Code section 38-08.1)
- Proper use of the following legally restricted funds:
 - Renewable Energy Development fund.
 - Oil and Gas Research fund.
 - Pipeline Authority Administration fund.
 - Cash Bond fund.
 - Lignite Research fund.
 - Oil and Gas Reservoir fund.
- Compliance with appropriation laws.
- Statutory authority for investments and the proper utilization of the Bank of North Dakota for processing credit card processing.
- Application of proper statutory rates relating to revenue and deposit into proper funds.
- Compliance with OMB's Purchasing Procedures Manual.
- Travel-related expenditures are made in accordance with OMB policy and state statute.
- Proper authorization of petty cash funds.
- Adequate blanket bond coverage of employees (NDCC section 26.1-21-08).
- Compliance with fixed asset requirements including record-keeping.
- Compliance with payroll-related laws including statutory salaries for applicable elected and appointed positions, and certification of payroll.

The criteria used to evaluate legislative intent are the laws as published in the *North Dakota Century Code* and the *North Dakota Session Laws*.

Government Auditing Standards requires auditors to report all instances of fraud and illegal acts unless they are inconsequential within the context of the audit objectives. Further, auditors are required to report significant violations of provisions of contracts or grant agreements, and significant abuse that has occurred or is likely to have occurred.

The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*. This finding is described below. Other than this finding, we concluded there was compliance with the legislative intent identified above. We also noted certain inconsequential instances of noncompliance that we have reported to management of the Industrial Commission in a management letter dated June 30, 2014.

Onstad, Kenton B.

From: dorothy@restel.com
Sunday, January 11, 2015 10:43 AM
To: Onstad, Kenton B.
Subject: audit of oil and health bill YES

Rep. Kenton Onstad, the House's Democratic minority leader from Parshall, filed a bill Monday that would order a performance audit of the Division of Oil and Gas and the Department of Health — the state's primary oil regulatory agencies.

konstad@nd.gov

Dear Sir:

I like your bill to order performance audits of the oil and gas and department of health.

I have been in a contest of wills for the last several years with the department of health and in particular Jim Semerad who is the only one who has responded to my e mails.

Some where in my path of life I became extremely sensitive to pesticides and herbicides. Probably got over indulged when Alexander decided to have the town airplane sprayed for grasshoppers in the 80's. I got really sick from that almost immediately. And then as years went by I began to notice that in spring and summer I would get down and out when anyone sprayed.

I finally found out that I was anemic. After someone sprayed, my body turned into a mass that I can only explain this way. I felt like a plate of cooked spaghetti. I felt I had no bones or muscles and all I could do was go lay in bed.

Then when the oil impact picked up in the Alexander area I was down and out most all year long. In 2011 I went to the doctor and the blood test showed I was really anemic at a 5.9 iron (hemoglobin) level and I was given a blood transfusion of four units over two days.

You can only know how good I felt after that pepper upper if you've been in the same position.

Then in 2012 I needed two times of transfusions, 3 in 2013 and four this past 2014.

I spent a lot of time researching anemia and found out that pesticides and herbicides do cause this ailment. And then in 2013 I found out that benzene was the culprit. Benzene is used in both pesticides and herbicides or actually in just about everything including medicines. It is a wonderful bonder. Of course, you probably know benzene is a major component in our oil. It is sweet smelling, a flowery scent like roses or a sweet nice smelling flower.

When I learned this I also was aware that I smelled that from time to time in Alexander. Then I also became aware that the days I felt like that 'cooked spaghetti' were also days I smelled the "flowers". I would say quite a lot of the time this odor permeated my home too.

I began contacting the Health Dept. I got a call from Semerad and he basically being male figured he could talk down to a female. That didn't work too well, I am proud to say. After that I began sending in notice every time I smelled "flowers".

Mostly they ignored me, but on occasion they would e mail and say someone had come to the area several days later and found nothing.

I finally got disgusted with this attitude and responded that if I called the fire dept. that my house was on fire and they showed up three days later it really would be in vain.

The last time I communicated with Jim was in November. I had noticed the 'flowers' on the 18 and 19th. And I was in that old sick and spaghetti feeling mode too. By some stroke of luck I had felt pretty good the week before and had made a doctor appt for the 20th. I thought I could get an iron check and have a visit with the doctor when I wasn't feeling so damm down and out. Well, that did not happen as on the 20th my iron level was a 6.2. My doctor actually yelled at me. I did the best thing I could and got up enough power to yell back.

Apparently I am so sensitive I sort of equate myself to those allergic to bee stings. My doctor of course has no intention of admitting or studying up on the harmful effects of chemicals or gases. She'd rather think there is something in my body doing all this to me.

It is scary to know that I can feel good one week, have an attack of these gases, and be so low in iron after that. Females are supposed to range in the 12 to 14 area. Getting into a six is getting close to the grim reaper!

I suppose it is like any other sensitivity, you get over exposed and each time you get exposed it takes less and less.

Well, Jim wrote a long letter and pretty much did his best to make me feel like I was a damm liar and fool. They had been out here on the days I complained as there had been an oil spill which probably included gas too. They even talked to people here, but they made no effort to see me.

Apparently their acceptable ranges of gunk in the air are too much for me!

Our once beautiful sky and horizon is now smogged in most of the time. Our once fresh air is now like exhaust or something burning. Although I do say the bypass around Alexander helped a little in that fresh air department. But huge flares burn to the east of town, and of course there

are oil and gas and salt water spills nearly daily. Not to mention blowing up a few oil storage tanks on New Year's.

ppose the best thing for my health is to move away from this area. But I don't know where to go where there would be minimal use of the herbicides and pesticides. I am sure the health dept. would be more than happy not to hear from me!

So if you can get a bill through to audit the State Health Dept. and the Oil and Gas Hoodlums, I will certainly do all I can to stand with you on that.

Thanks for reading this.

Dorothy Reil PO Box 22 509 Buffalo Street Alexander ND 58831 phone 701 828 3157 email dorothy@rtc.coop although I think it now is sending as dorothy@restel.com .

Some techie changed that when I was having problems accessing the phone bill account. Still can't. Duh.

Eat at McDonald's and get:

Free sides:

Pesticides

Herbicides

Insecticides

Fungicides.

My Country Tis of Thee

Oil slick from sea to sea

of this I sigh

3 may our land be bright
with flares burning day and night

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of this I sigh

esses in the air
one seems to care
of this I sigh

radioactive socks are found
lying on our precious ground
of this I sigh



GUIDELINE 42 - OILFIELD EXPLORATION AND PRODUCTION ASSOCIATED WASTE ACTIVITIES

North Dakota Department of Health - Division of Waste Management

918 E. Divide Ave., 3rd Fl., Bismarck, ND 58501-1947

Telephone: 701.328.5166 • Fax: 701.328.5200 • Website: www.ndhealth.gov/wm

Revised: 02-2014

Solid waste management facilities, transporters and waste generators in North Dakota must be in compliance with state law, rules and permits as administered by the North Dakota Department of Health, Division of Waste Management (Department). Waste generated by oilfield exploration and production activities and associated industrial, service, commercial, and construction activities may pose challenges for solid waste facilities, waste haulers and recyclers. Properly characterizing, segregating and managing wastes will help stressed solid waste facility staff and help avoid accidents, environmental impacts and waste being rejected by facilities. Cooperation between waste generators, waste haulers and facilities is essential to ensure efficient operation. Repeat problems may result in additional inspection requirements, increased handling and expense, and if necessary, enforcement. Some segregated materials may be recycled. Waste Haulers must have a permit issued by the Department (**see Links on last page**).

SPECIAL WASTE: Most waste from crude oil and natural gas exploration and production such as drilling cuttings, water, spills, and similar waste that is not managed at a drill site or injection well but is shipped off-site is classified as "Special Waste." Fly ash and Coal Combustion Waste is also "Special Waste." Most special waste is disposed or treated at permitted special or industrial waste facilities. Permitted Special Waste facilities have procedures approved for management of various materials and can provide guidance to waste generators (**see Links**).

Waste from crude oil handling and storage may be processed to recover oil at crude processing plants regulated by the **North Dakota Oil and Gas Division**.

INDUSTRIAL WASTE AND SPECIAL WASTE cannot be disposed or mixed with other waste destined for a **Municipal Solid Waste Landfill** without coordination and approval by the solid waste facility operators who must also coordinate approval with the Department. With proper characterization, segregation and handling, some waste may be managed at Municipal Solid Waste or Inert Waste landfills or may be recycled. Careful waste handling is essential to expedite orderly operations, hold down costs, reduce waste, and protect human health. **Poorly separated waste may be rejected or be subject to additional disposal costs as Industrial, Hazardous or Radioactive Waste (see Links).**

Haulers whose waste is rejected must file a report with the Department within five days of the rejected load. Contact Kirk Johnson at 701-328-5166, or fill out the SFN 60120 Rejected Waste Reporting form on line (see Links).

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Solid Waste Facilities who reject a waste must also notify the Solid Waste program at 701-328-5166.

SPILLS, LEAKS, RELEASES, DUMPING, UNPERMITTED STORAGE REPORTING:

Environmental incidents involving oilfield materials, chemicals, fuels, coal combustion materials, fly ash, solidifying agents, other waste materials, etc. that may impact human health or the environment must be promptly cleaned up and reported to the state. For emergencies, contact the local emergency manager. **Complete an environmental Incident form online (see Links).**

WASTE SEGREGATION REQUIREMENTS: Wastes should be carefully separated into categories described below and properly managed at approved recycling, processing or disposal facilities in accordance with state, federal and local requirements. Keep records on the amount removed from each facility or unit, how it is segregated and eventually managed, recycled or disposed.

HAZARDOUS (IGNITABLE, CORROSIVE, REACTIVE, TOXIC, LISTED) OR PCB WASTE including, but not limited to: unused chemicals or additives, paints, solvents, varnishes, stains, cleaners, degreasers, and similar ignitable products; aerosol cans, and compressed gas containers or cylinders; ammunition including unused shells, lead shot, bullets, powder-loading supplies, etc.; oils, fluids (transmission, hydraulic, brake, etc.); fuels, automotive additives, batteries (including lead, mercury, nickel-cadmium, etc.); acids and bases – often labeled corrosive (store acids separately from bases and do not mix!); toxics, poisons, pesticides (includes insect, rodent and weed killers); antifreeze; fertilizers; and other ignitable, corrosive, reactive, toxic, PCB, problem or unknown wastes. Separate and label wastes by type. Do not dispose or mix hazardous waste with non – hazardous waste. **Do not mix unlike materials. Use a Hazardous Waste Contractor (see Links).**

UNUSED CHEMICALS, ADDITIVES, UNUSED PRODUCTS, EXCESS RESIDUES AND PARTIALLY FULL CONTAINERS: Bulk, bags, buckets or containers of unused products or containing excess residue, including chemicals, additives, paints, potentially toxic materials, unknowns, or materials that may be toxic, cause injury or cause ignition are industrial wastes and may be hazardous. They may not be disposed or mixed with other waste materials unless approved by the solid waste facility operators. If unused product cannot be used for the intended purpose, the materials must be properly managed as industrial or hazardous waste. Antifreeze may be recycled. Unused chemical products or industrial waste may be managed by permitted industrial waste facilities (see Links).

ELECTRONIC WASTE (E-WASTE), LIGHTING AND UNIVERSAL WASTE includes batteries (all types), monitors, TV's, computers, light ballasts, mercury devices (thermostats, mercury switches, fluorescent bulbs, mercury bulbs, thermometers, etc.); light ballasts, transformers; circuitry, stereos, and similar materials. Please package fluorescent devices and bulbs and other fragile materials to avoid breaking. **These materials are generally hazardous and should be recycled (see Links).**

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LEAD BATTERIES ARE PROHIBITED FROM DISPOSAL in North Dakota landfills and must be segregated for recycling. Lead batteries should not be mixed with other materials and cannot be disposed. Please manage lead batteries carefully to ensure they are not broken. Use a scrap metal recycler or universal waste facility (**see Links**).

USED OIL IS PROHIBITED FROM DISPOSAL. Lubricating oil, fluids (transmission, gear lube, hydraulic, brake, etc.) from vehicles and equipment must be recycled. Used oil must be separated in properly labeled containers. Any spillage must be promptly cleaned up. **Work with an oil recycler (see Links)**.

OIL FILTERS can often be recycled as scrap metal if they are hot-drained and either crushed or punctured. Crushed or punctured and well-drained filters should be placed in labeled, leak proof containers which should be monitored to make sure free oil is removed. Well-drained, crushed and/or punctured filters may be recyclable. Landfills may not accept oil filters from commercial or industrial sources without approved Industrial Waste Procedures. Work with your local scrap metal recycler (**see Links**).

APPLIANCES ARE PROHIBITED FROM DISPOSAL. Freon-containing appliances such as refrigerators, freezers, dehumidifiers, air conditioners, must have the refrigerant removed by licensed technicians at a processing site. Handle these carefully to avoid damage to the refrigeration units. Capacitors and other electronic equipment may need to be removed. Remove food from appliances. **Remove or secure doors of large appliances and manage as Scrap Metal (see Links)**.

RECYCLABLE METALS ARE PROHIBITED FROM DISPOSAL in North Dakota landfills. Generators should separate metals in labeled containers or piles and do not mix with waste. Power equipment, metal parts, ducting, pipes, structural steel, stoves, water heaters, metal furniture, heaters, furnaces, and other metal items can be managed to recover metal. **Oil, fuel and fluids may need to be removed** from some equipment for proper management. **Work with your local scrap metal recycler and local recycling programs. Aluminum and beverage cans are encouraged to be recycled (see Links)**.

Recyclable metal commingled in waste containers, trucks or waste rolloffs should not be picked up or disposed. Scrap metal in a landfill can damage equipment, cause injury and cause the facility to be out of compliance. Some metal needs to be screened for radioactive materials to determine if it is acceptable for recycling. North Dakota promotes recycling of valuable scrap metals that are properly handled.

POTENTIALLY RADIOACTIVE WASTE AND TECHNOLOGICALLY ENHANCED RADIOACTIVE MATERIALS (TENORM). The following natural gas and crude oil production and transportation wastes (and wastes that may have been contaminated by such materials) shall not be delivered to a municipal or inert waste landfill or be commingled with other waste destined for such disposal. Generators should segregate these wastes, store them in secure containers, and have them analyzed for Naturally

Occurring Radioactive Material (NORM), specifically, Ra-226 and Ra-228 concentrations and Lead-210 by a state-approved analytical procedure or screening process. Materials of concern include, but may not be limited to:

- a. Accumulated materials, including: solids, scale, sediment, production sand, emulsion, sludges, and other tank bottoms from storage facilities, separators, heater-treaters, vessels, tanks, and production impoundments that hold product or exempt waste;
- b. Pipe scale, hydrocarbon solids, hydrates, and other deposits removed from tubular goods, piping, casing, filters, filter bags, clean-out traps and other equipment;
- c. Pigging wastes from gathering lines;
- d. Filter Socks and Proppant from oilfield exploration, production and deep well injection activities; and
- e. **Any other waste material** suspected to contain TENORM or likely to have accumulated NORM or TENORM in concentrations equal to or greater than 5 picoCuries/gram (pCi/gm).

If the total laboratory-measured Ra-226 plus Ra-228 or Lead-210 activities are equal or greater than 5 pCi/gm, the waste will need to be shipped out of state to a facility acceptable for receiving such waste. There is no adjustment made for the background of the blending material. The 5 pCi/gm limit is for the waste stream as measured using a Department-approved analytical method and procedures. Waste below 5 pCi/gm may be disposed at an approved industrial or special waste facility (**see Links**).

ASBESTOS-CONTAINING MATERIAL may include asbestos pipe wrap, boiler coatings, loose insulation, transite (older cement type siding and electrical backing), vermiculite (light, platy insulating material) and other materials. **Notification, Inspection and Manifest requirements must be followed.** Label all bags or containers "Asbestos Waste." REGULATED Asbestos Waste must be specially handled and disposed at approved solid waste facilities with prior notification and approval. Asbestos cannot be disposed with inert waste. (See other North Dakota Department of Health guidance on asbestos (**see Links**)).

LIQUIDS MAY NOT BE DISPOSED (OTHER THAN HOUSEHOLD QUANTITIES).

INFECTIOUS WASTE AND MEDICATIONS, including needles, sharps, human blood or tissue, soaked dressings, isolation waste, pathological waste, infectious human or animal waste, pills, medicines, etc., may not be mixed with other waste but may be properly containerized and treated. **Household quantities** in labeled containers may be disposed with municipal waste (garbage) but **may not** be mixed with inert waste. **Do not flush or dispose medications in a sewer or septic system (see Links).**

SCRAP TIRES: Scrap tires should be separated. Many landfills will not accept scrap tires that are mixed with loads of other wastes. Keep scrap tires separate so they can be more easily managed by solid waste facilities. Use an approved Scrap Tire facility (**see Links**).

OTHER WASTES. Solid waste facilities may specify other waste restrictions or procedures at their discretion. Some facilities may have restrictions on potentially windblown materials (plastic, cardboard, excess paper, etc.), bulky wastes (cardboard, pallets, trees, yard waste, etc.), compostable material (grass, leaves, straw, etc.), scrap tires, and other restrictions. Some facilities may process or bale waste before disposal.

ADDITIONAL WASTE PROHIBITED FOR INERT WASTE LANDFILLS:

GARBAGE AND PUTRESCIBLE WASTE (liable to spoil, decay or become putrid) including discarded food, bagged garbage, paper, packaging, lunch waste, sanitary products, small animal carcasses, and similar waste cannot be mixed with inert waste or the entire load must be managed as municipal waste. These wastes should be placed in plastic bags and collected by a permitted hauler for management at a municipal solid waste landfill or transfer station (**see Links**).

WOOD PALLETS, LUMBER AND VEGETATIVE MATERIAL includes tree limbs, branches, leaves, logs, and plants which may be used as firewood or fuel or shredded to make mulch. Vegetative/tree materials may be separately managed and processed on-site, at a local solid waste facility or appropriate processing site. **Open burning of waste and trade waste is prohibited** as it may create local air quality and safety issues and may violate Clean Air Act provisions. Use a wood recycler (**see Links**).

CONCRETE AND ASPHALT, if properly segregated from other waste, may be recycled at a local processing site or it may be disposed as inert waste (**see Links**).

CARDBOARD, PAPER, PLASTICS, Etc. may be recycled if properly segregated and handled. Super sacks may be recycled if liners and frac materials are removed. Contact a recycling company or broker (**see Links**).

INERT WASTE including Construction and Demolition waste which is properly screened as described above to remove restricted and non-inert waste materials outlined above can be disposed at inert waste landfills. Inert waste includes drywall, lumber, carpet, wood/upholstered furniture (non-metal), clean plastic, non-asbestos insulation (fiberglass, foam, Styrofoam and cellulose), plastic toys, and similar materials that do not readily contaminate water, air or be a food for vectors. Screened inert waste may be managed at approved inert waste facilities, typically at lower cost (**see Links**).

Thank you for your cooperation. Should you have any questions regarding these issues, contact the Department at 701-328-5166. Solid Waste Program: Steve Tillotson (email stillots@nd.gov); Brad Torgerson (email btorgers@nd.gov); Ted Poppe (email

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tpoppke@nd.gov); Brian O’Gorman (email bogorman@nd.gov); Kirk Johnson (email kijohnson@nd.gov); or the Hazardous Waste Program.

North Dakota Solid Waste and Recycling Association: www.ndswra.org .

LINKS:

North Dakota Department of Health Solid Waste, Recycling and Hazardous Waste Publications, Applications and Lists, including:

Waste Transportation, Special Waste, Industrial Waste, Hazardous Waste, Antifreeze Recyclers, Scrap Metal Recycling,	Electronic Recyclers, Universal Waste, Used Oil, Mercury/Lighting Recyclers, Infectious/Medical Waste, Scrap Tire Management,	Municipal Solid Waste, Wood Waste Management, Transfer Stations, Concrete and Asphalt, Inert Waste, Recycling Companies.
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See: www.ndhealth.gov/wm/Publications

SFN 60120 Waste Rejection Report:

www.ndhealth.gov/wm/Publications/Forms/WasteRejectionReport.pdf

Environmental Incident Report Form:

www.ndhealth.gov/wm/EnvironmentalIncidentReporting.htm

Waste Transporter Information and Permits: www.ndhealth.gov/wm/Transportation

Asbestos Information: www.ndhealth.gov/AQ/IAQ/ASB/

Radioactive Material Information

U.S. EPA – TENORM: www.epa.gov/radiation/tenorm/index.html

U.S.EPA oil and gas production waste: epa.gov/radiation/tenorm/oilandgas.html

North Dakota Department of Health - NORM: www.ndhealth.gov/AQ/RAD/norm.htm

US EPA Oil & Gas Exempt Waste: epa.gov/osw/nonhaz/industrial/special/oil/oil-gas.pdf

North Dakota Solid Waste and Recycling Association: www.ndswra.org

North Dakota Oil and Gas Division: www.dmr.nd.gov/oilgas/

1. Nov. 2, 2011 : Spills happened at Pete 2 SWD File # 9916. Tank overflowed saltwater. It ran all across well location over 200 feet into farmland in two locations. Spill was purposely covered up with several loads of gravel, even in the farm field (willful violation). Spill was not reported. Several days later land owner called county emergency manager. This spill resulting in large contamination that is still not cleaned up. No citations were issued. Violation 43-02-03-05 enforce rules, 43-02-03-30 Notification of spills and notify land owner of off location spill. 43-02-03-49 Oil shall not flow or pool on ground.

2. July 9, 2012 Pete 2 SWD file # 9916 Oil and evidence of salt water spill was found in farm field. Operators denied responsibility and did not report. Inspectors were aware but did not require or fill out report. Regulators admitted in deposition that operator should have reported. There is large area of contamination in field that is not cleaned up. Will cost 100's of thousand of dollars. Violation 43-02-03-05 Enforce rules. 43-02-03-30 Notification of spills , notify landowner. 43-02-03-49 Oil shall not pool over or pool on surface of land.

3. August 22, 2012 Spill at Pete 2 SWD file #9916 Company caught flow line with excavator releasing produced saltwater .Violation 43-02-03-30 Notification of spill, notify landowner;

4. January 3, 2013 Spill larger than 1 barrel on location required filing of spill report and did not properly handle waste. Violation 43-02-03-30 Notification of spills, 43-02-19.2 waste must be properly disposed.

5. March 22, 2011 Peterson CTB file # 202673-01 Treater did not have continuous burning flare. After initial repair was out of compliance with knowledge of DMR inspectors for over 3 years until legislators complained to the Department of Health and violation and fine were issued. Violation 43-02-03-45

Leo Hallof 1 File #90074 Very large oil and saltwater spill. Was found August 9, 2012. Still reported at 0 barrels oil, 0 barrels saltwater. Spill at least several hundred barrels. Records show no access to well, well site overgrown with weeds. Violations 43-02-05-12 Operator shall keep well continuing surveillance. 43-02-03-28 All vegetation, rubbish and debris must be removed for a distance of 150 feet from well. 43-02-03-30 Amount and type of fluid spilled.

July 29, 2010 Oil and saltwater spill at the Jespersen 31-29 File # 1172. Very inadequate dike. Spill was underreported and report incorrectly stated spill stayed on location. No violation issues. Violation 43-02-03-49 Inadequate dike. 43-02-03-30 Proper spill reporting.

Members of the North Dakota Industrial Commission:

Re: Enforcement of oil field violations

More personnel is not the complete solution to this problem. There has to be fundamental change in how violations are dealt with. There must be real punitive consequences rather than the current system, in which the commission has to pursue a costly and time consuming legal process. One possible suggestion, is to have operators post bond for individual violations and to place the legal burden of proof on the operator. They would have to prove the bond (fine) is not justified. This provides due process.

There are many examples in well files of regulators being incapable of enforcing regulations, especially forcing abandoned wells to be plugged and subsequent reclamation, under current procedures. And it appears that bonding requirements need to be increased to cover potential plugging and reclamation costs to the state.

The correlative rights of surface owners and mineral owners are completely ignored by current Temporary Abandoned (TA) well status policy. Currently, TA status is renewed freely, even in cases where the operator is not applying or paying the \$100 annual renewal fee. And, there appears to be no penalty for this. Maybe oil and gas needs to get someone from motor vehicle registration to demonstrate how to do renewal effectively.

As of the latest well file index available, there are:

Temporary abandoned wells	345
Temporary abandoned observation	28
Abandoned wells (over 1 year non production)	169
Inactive wells (2 months to 1 year non production)	323
All non producing wells (total of above)	865

Below are example well files:

(These examples demonstrate the almost complete disregard to the rights of the surface and mineral owners. Also, they demonstrate how difficult and costly the process of enforcement is that the NDIC uses.)

- Well file 99: TA status for 25 years. Been shut in since 1970.
- 9962 : TA status for 16 years. Been shut in since 1991.
- 10831: TA status from 1993 to 2008. Was shut in since 1985. Plugged in 2009 after landowner complaint. Site not reclaimed.
- 10794: Abandoned since 1997, Court order to plug ignored by operator and bonding company, Currently in abandoned status.
- 10845: Same as above.
- 11410: Abandoned since 9-07, No action taken, State has an interest in this well.
- 12654: State land, Salt water spills handled with much greater diligence than spills on private land.
- 3680: Inadequate bonding, \$34200 to clean up site, Bond was \$15000, Shut in 1988, Plugged in 1998 after years of legal proceedings, Can't determine how much it cost the state and who eventually paid for plugging.
- 7140: On state land, Over \$20000 in reclamation plus plugging costs, Legal action by state took from 1988 till 1998 to force plugging. Can't determine how much it cost the state and who eventually paid for plugging.
- 6738: Expired temporary abandoned observation status for 3 years, Landowner request to plug well, Operator given opportunity to renew TAO status anyway.
- 13408: Shut in since 4-1999, Was given TA status.
- 4973: Site was a mess with weeds and unusable equipment for a 15 year period with no action by state regulators, Has large areas of salt damage soil around site that have not been reclaimed.

There are multiple examples of wells being abandoned for several years up to 6 years, then given TA status. TA status not being renewed annually sometimes once every 3 years.

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Onstad, Kenton B.

From: Onstad, Kenton B.
Date: Wednesday, April 06, 2011 8:46 AM
To: Erickson, Ladd R.
Subject: FW: Emailing: 081, 085, 087, 091, 097
Attachments: 081.jpg; 085.jpg; 087.jpg; 091.jpg; 097.jpg

From: Daryl Peterson [<mailto:pete1@srt.com>]
Sent: Wednesday, March 02, 2011 9:36 AM
To: Myron Hanson; Tom Wheeler; Derrick Braaten; Warner, John M.; Onstad, Kenton B.; Helms, Lynn D.; Bohrer, Mark F.; -Info-Attorney General; larslaw@srt.com
Subject: Fw: Emailing: 081, 085, 087, 091, 097

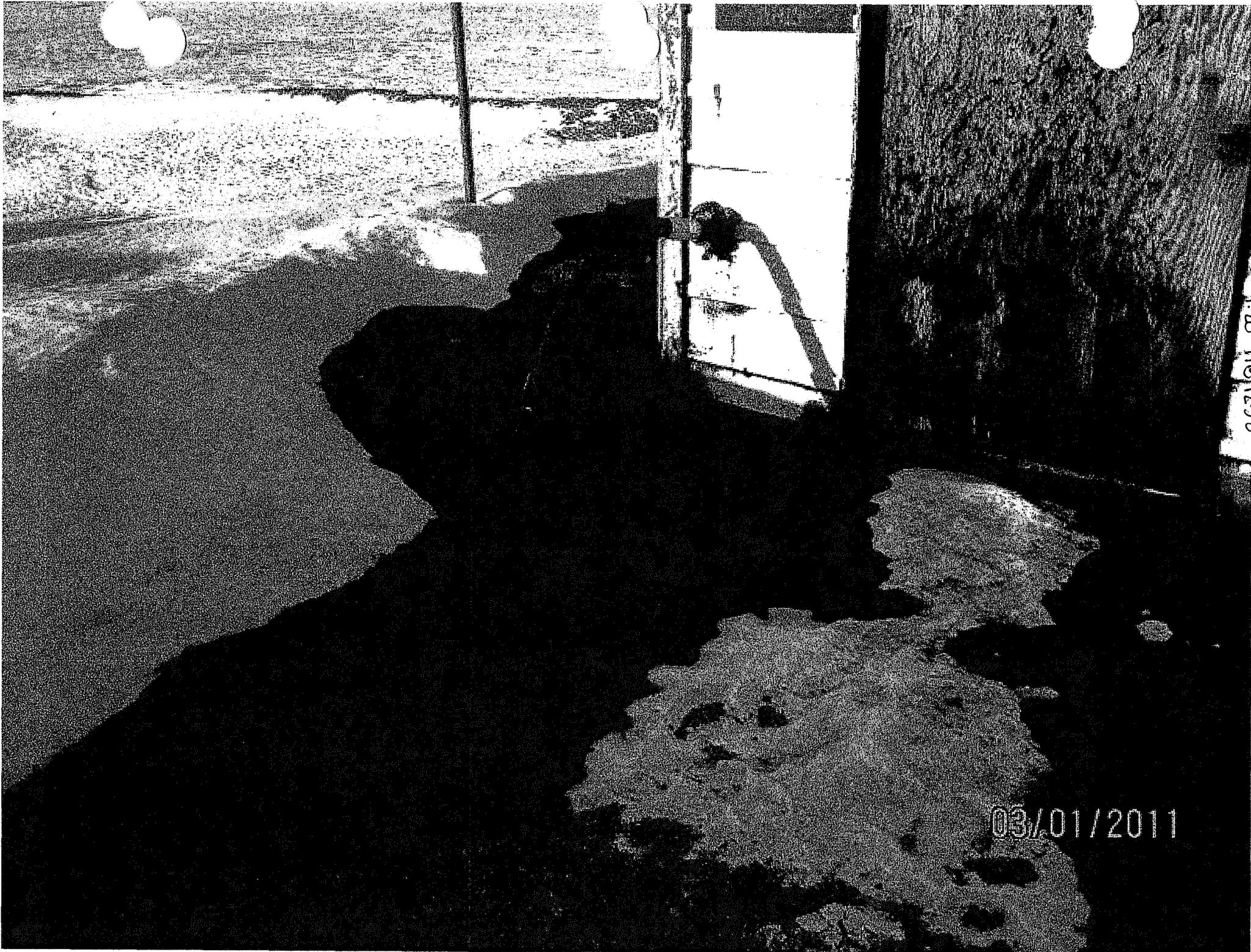
----- Original Message -----

From: Daryl Peterson
To: Senator David O'Connell
Sent: Tuesday, March 01, 2011 9:32 PM
Subject: Fw: Emailing: 081, 085, 087, 091, 097

Senator O'Connell,

This is the Sagebrush oil saltwater spill that occurred on my property last night. I was told about it just before dark. Kristine and I drove down there and found salt water and oil leaking around the man way hatch on oil storage tank. I felt tank should be pumped out so no more spilled on ground. You can not contact oil and gas after hours so I called the emergency number. They were very helpful and called the health dept. and Bottineau County emergency services. Bottineau county called Ward Williston, who then called me and the Sagebrush pumper. Pumper said their tank had overflowed and there was no further leak and cleanup would happen today, March 1. The health dept called me back and told me I was mistaken and there was no leak and it was overflo and was controlled. I drove back down to well and tank was still leaking. When I got home ,I received a call from Sagebrush that part of overflow had run into unusable tank on location and it was leaking, but not to worry because only there were only a few barrels in it. I went back down early this morning and the tank was still leaking. This tank should have been pumped last night!! I took pictures later this morning, no longer leaking. Salt water had soaked into ground, but oil is still there.(pictures) This is the same location that had a 2009 spill that is still not cleaned up.I am still waiting for information as to contents of 2009 spill and where it was hauled to.

Attached are pictures and thanks for your help.
Daryl Peterson



1-20 HG 1258

2/2/2011

03/01/2011

1.21 HB 1259
2/5/2015

03/01/2011



HS 1299 2/3/2015 1:57

03/01/2011



1.23 H6 1254 21512013

03/01/2011



2/8/2015 1:29 PM 1234

02/28/2011

Onstad, Kenton B.

From: Ladd Erickson <lre Erickson@nd.gov>
Date: Thursday, April 21, 2011 12:29 PM
To: Onstad, Kenton B.
Subject: FW: oil contamination incident
Attachments: Murex location placard.JPG; Murex Hwy 2 N ditch .JPG; S of location, Hwy 2 S ditch.JPG; downstream SW of Hwy 2.JPG

From: Ryckman, Fred F.
Sent: Tuesday, April 19, 2011 3:55 PM
To: Power, Greg J.; Gangl, Scott
Cc: Dyke, Steve R.; Kreft, Bruce L.; micah_reuber@fws.gov; -Grp-GF Williston
Subject: oil contamination incident

All,

FYI, a landowner near Ray called the Williston G&F office yesterday afternoon to report another oil well location contamination incident, this one about 8 miles E of Ray. He related that the spill was reported to the O&G Division, PSC, on March 2nd, but that to date little to nothing has been done to address this problem. I drove over to inspect last night, and then visited with the landowner this morning. And not entirely to my surprise, the contamination incident appears to be mostly just as he related! O&G told him no big deal and didn't do anything, and Murex apparently hasn't been told by O&G or the SHD to do anything either. Contamination from this site has been carried/flushed at least as far as the half mile that I walked downstream; I wouldn't be surprised if it has actually been carried downstream the roughly 3 mile distance to enter Olson Dam. And water/contamination is still flowing into, across, and then downstream from the well location to at least as far downstream as I walked. Until this problem is addressed, more melting &/or runoff will simply carry more contamination downstream faster and farther.

As can be noted in the attached pictures, there has been no effort to contain the contamination on site, and there has been essentially no effort to clean up any of the contamination off site. In fact, it looks to me that whomever simply tossed a few absorbent pads around to address this contamination incident may have done so just to mock the state's bureaucratic and regulatory incompetence!!!

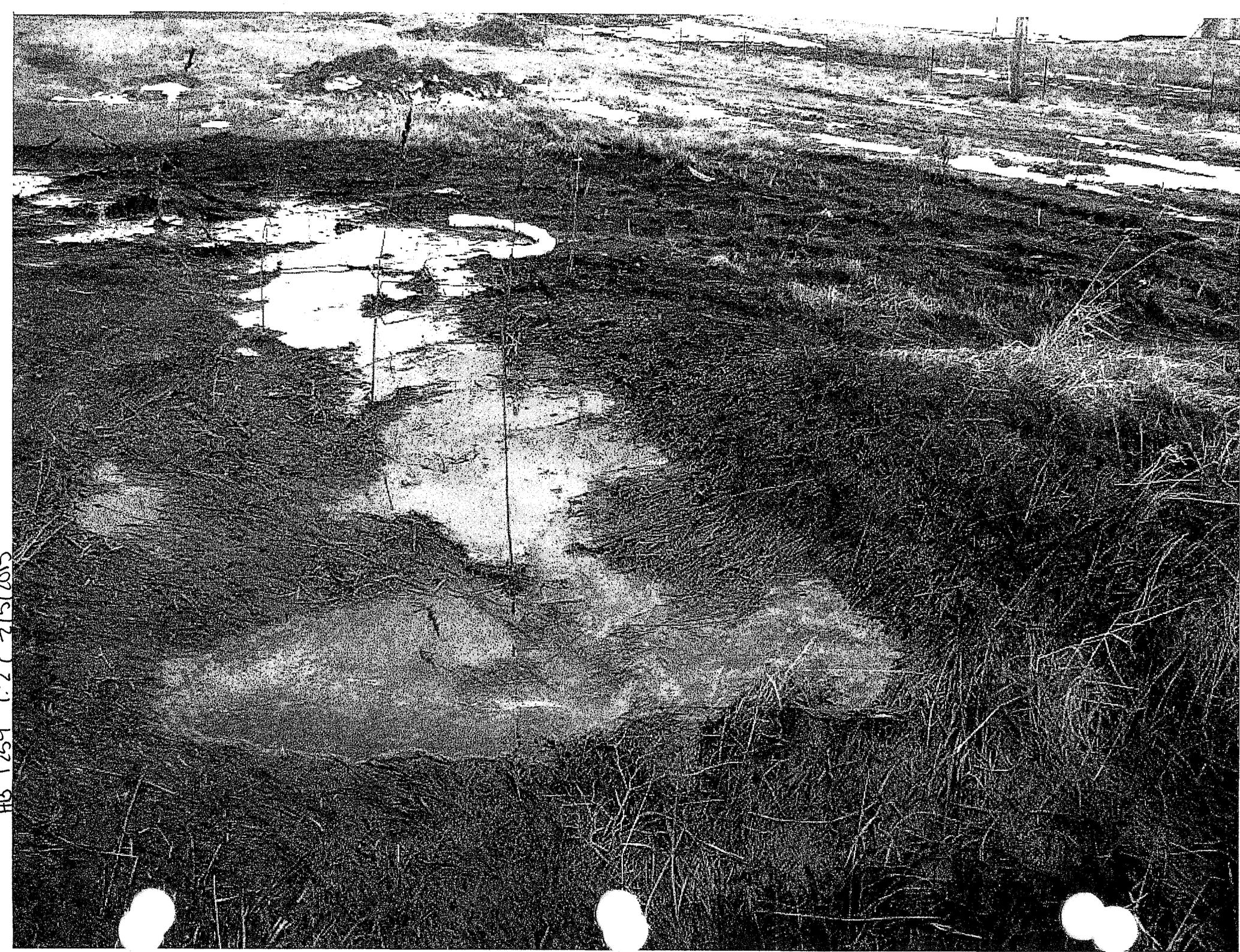
The landowner also called EPA; a staffer from Denver called me this morning to discuss. I sent him these same 4 pictures. Perhaps EPA will try to get this site cleaned up, even if the state won't? Simply incredible to me that the state won't address sites such as this?

Fred

HB 1259 126 2162013

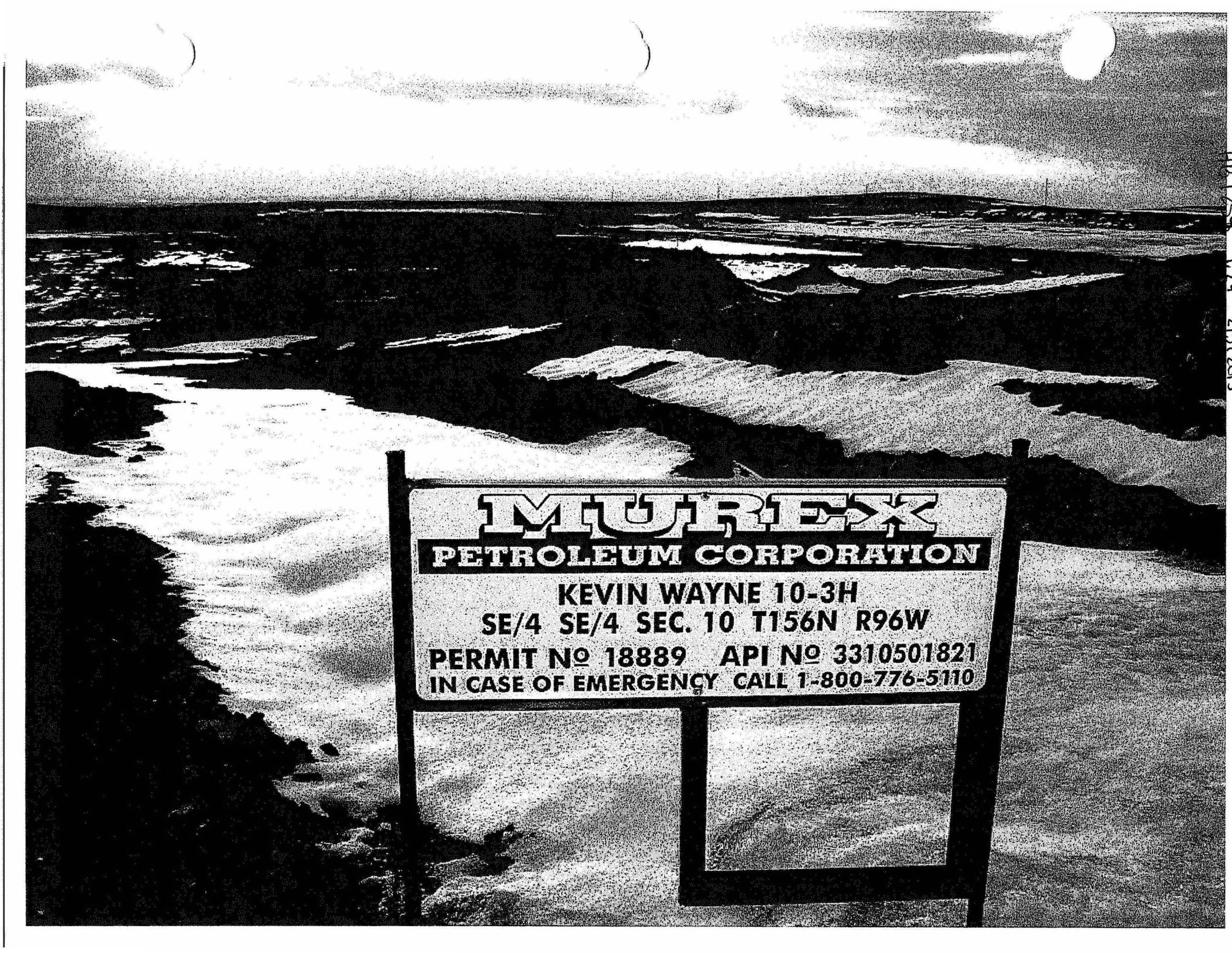


C1071512 7.1 1521 9H



5571 GM SLOP/CI7. 9271





MUREX

PETROLEUM CORPORATION

KEVIN WAYNE 10-3H

SE/4 SE/4 SEC. 10 T156N R96W

PERMIT NO 18889 API NO 3310501821

IN CASE OF EMERGENCY CALL 1-800-776-5110

HP 1058 2/5/2015
1:30



MEDTOX LABORATORIES INC.
402 WEST COUNTY ROAD D
ST. PAUL, MN 55112
651-636-7466

Jennifer A. Collins, Ph.D.
Dr Mark Catlin, M.D.
Karla Walker, Pharm.D.
PAGE 1

COMPUTER-GENERATED FACSIMILE LABORATORY REPORT

MERCY HOSP-WILLISTON 1301 - 15TH AVENUE WEST WILLISTON, ND 58801	PATIENT NAME SCHILKE, JACKIE	Social Security	
	PATIENT I.D. NO. T9556633	AGE 52	SEX SPECIMEN F F2951507
	DATE COLLECTED	TIME COLLECTED	DATE RECEIVED
	10/18/2010	14:30	10/20/2010
			11/03/2010
			6:00PM
KROLL, MICHAEL/22498			

TEST(S) REQUESTED	RESULTS	UNITS	REFERENCE RANGE
GERMANIUM, BLOOD			DNR DNR

Analysis and Comments	Result	Units	Reporting Limit
Analysis by Inductively Coupled Plasma/ Mass Spectrometry (ICP/MS)			
Germanium Normally: Less than 10 mcg/mL.	52	mcg/mL	11 ELEVATED

Analysis performed by National Medical Services, Willow Grove, PA.

*** FINAL REPORT ***

24 hour urine Arsenic + Creatinine

Speciated

(organic)

(inorganic)

no first/second between

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North Dakota Industrial Commission Follow-up Spill Report

Number 33 - 105 - 01830						Well File or Facility No. 19132					
Operator Oasis Petroleum										Telephone Number 701-572-0268	
Address 14022A west Front St.						City Williston		State ND		Zip Code 58801	
Well Name and Number or Facility Name Ellis 5602 12-17H						Field Bull Butte					
Location of Well or Facility		Footages 230 F S L		1980 F W L		Qtr-Qtr SESW	Section 8	Township 156 N		Range 102 W	County Williams
Description of Spill Location if not on Well or Facility Site and/or Distance and Direction from Well or Facility fluid spit out of Flare pit, wind caused mist into the field to the East											
Directions to Site west of Williston to county rd1, North to County Rd 8, West 3/4 mile location on south side of road											
Release Discovered By Consultant on location			Date Release Discovered December 30, 2010			Time Release Discovered 9 : 00		Date Release Controlled December 30, 2010		Time Release Controlled 9 : 01	
Company Personnel Notified Fabian Kjorstad			How Notified Phone			Date Notified December 30, 2010		Time Notified 11 : 00			
Type of Incident Treater Popoff				Root Cause of Release Equipment Failure/Malfunction				Date Clean up Activities Concluded December 30, 2010			
Distance to Nearest Residence or Occupied Building 3/4 mile				Distance to Nearest Fresh Water Well 3/4 mile							
Piping Specifics (If Applicable)		Size (Decimal Format) "		Type		Location of Piping					
Volume of Release		Oil 1.00 Gallons		Saltwater				Other			
Volume of Release Recovered		Oil 1.00 Gallons		Saltwater				Other			
Was Release Contained Within Dike No			If No, Was Release Contained on Well Site No			If No, Was Release Contained on Facility Site or Pipeline ROW No					
Areal Extent of Release if not Within Dike 30'x50' OF FIELD				Affected Medium Topsoil				General Land Use Cultivated			
Describe Cause of Release or Fire and Other Type of Incidents, Root Causes of Release, Land Uses, and Released Substances OPENED UP WELL AND CAUSED THE TREATER TO UPSET SENDING SMALL AMOUNT OF FLUID DOWN FLARE LINE CAUSING MIST WITH THE WIND STAINING THE SNOW IN THE FIELD.											
Action Taken to Control Release and Clean Up Action Undertaken USED LOADER TO GET STAINED SNOW OUT OF FIELD AND PUT INTO FLAT TANK THAT WAS BEING USED FOR FLOWBACK WATER.											
Potential Environmental Impacts TOP SOIL											
Planned Future Action and/or Action Taken to Prevent Reoccurrence SLOWLY OPEN VALVES TO TREATER AS TO NOT UPSET THEM											
Where Were Recovered Liquids Disposed Miller SWD site						Where Were Recovered Solids Disposed N/A					
Weather Conditions	Wind Speed 20 MPH	Wind Direction SE	Temperature 5 °F	Skies cloudy		Estimated Cleanup Cost \$ 500.00		Damage Value \$ 0.00			
Regulatory Agencies/Others Notified IC/NDDH			Person Notified John Axtman		Date Notified December 31, 2010		Time Notified :		Notified By Fabian Kjorstad		
Surface Owner			Steve Schilke		January 1st 2011		:		Fabian Kjorstad		
Federal Agency			Lease Number				:				
BLM							:				
USFS							:				
Report Originator				Title				Date			



<http://www.epa.gov/ttnatw01/hlthef/di-ethan.html>
Last updated on Tuesday, November 06, 2007

Technology Transfer Network Air Toxics Web Site

You are here: [EPA Home](#) [Air & Radiation](#) [TTN Web - Technology Transfer Network](#) [Air Toxics Web site](#) Ethylene Dichloride (1,2-Dichloroethane)

Ethylene Dichloride (1,2-Dichloroethane)

107-06-2

Hazard Summary-Created in April 1992; Revised in January 2000

Exposure to low levels of ethylene dichloride can occur from breathing ambient or workplace air. Inhalation of concentrated ethylene dichloride vapor can induce effects on the human nervous system, liver, and kidneys, as well as respiratory distress, cardiac arrhythmia, nausea, and vomiting. Chronic (long-term) inhalation exposure to ethylene dichloride produced effects on the liver and kidneys in animals. No information is available on the reproductive or developmental effects of ethylene dichloride in humans. Decreased fertility and increased embryo mortality have been observed in inhalation studies of rats. Epidemiological studies are not conclusive regarding the carcinogenic effects of ethylene dichloride, due to concomitant exposure to other chemicals. Following treatment by gavage (experimentally placing the chemical in the stomach), several tumor types were induced in rats and mice. EPA has classified ethylene dichloride as a Group B2, probable human carcinogen.

Please Note: Ethylene dichloride is also known as 1,2-dichloroethane. The main sources of information for this fact sheet are EPA's Integrated Risk Information System (IRIS), which contains information on the carcinogenic effects of ethylene dichloride including the unit cancer risk for inhalation exposure, and the Agency for Toxic Substances and Disease Registry's (ATSDR's) Toxicological Profile for 1,2-Dichloroethane.

Uses

- Ethylene dichloride is primarily used in the production of vinyl chloride as well as other chemicals. It is used in solvents in closed systems for various extraction and cleaning purposes in organic synthesis. It is also added to leaded gasoline as a lead scavenger. (1)
- It is also used as a dispersant in rubber and plastics, as a wetting and penetrating agent. (1)
- It was formerly used in ore flotation, as a grain fumigant, as a metal degreaser, and in textile and PVC cleaning. (1)

Sources and Potential Exposure

- Inhalation of ethylene dichloride in the ambient or workplace air is generally the main route of human exposure. The compound may be released during its production, storage, use, transport, and disposal. (1)
- Exposure may also occur through the consumption of contaminated water. But usually ethylene dichloride will evaporate quickly into the air from the water or soil. (1)
- The average levels of ethylene dichloride in the air of seven urban locations in 1980-1981 ranged from 0.1 to 1.5 parts per billion (ppb). (1)

Landowner/Surface Owner Complaint and Issue Form

This information is being gathered by the NWLA for Representative Onstad. He will be presenting it to the NDIC on February 22nd. Fill out as many items as you can. Fill out a form for each location. (upto 5 per individual)

Well or Tank Battery Site Location: SW 20 163-82
oil field quarter, section, township, range

Operator, well name, well file: _____
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well: _____

Marginal well (Dripper Well)* that is holding a lease _____

Inadequate or no reclamation of site LEASE ROAD

Crude oil and/or salt water spills _____

Dust issues _____

Water and contaminates runoff from site _____

Site maintenance _____

access roads and site not mowed

weeds not controlled and going to seed

weed control chemicals leaching off site _____

other

Trespass off location _____

snow moved off location causing associated problems _____

maintenance crews going off location causing damages _____

Inadequate diking _____

Unusable equipment stored on or off site _____

Safety violations (affecting human or livestock or wildlife) _____

Other violations of ND Industrial Commission rules and statues _____

(specify) _____

Approximately how long has this issue/issues been occurring? _____

Have you been able to bring this issue/issues to the attention of the Oil and Gas Division? _____

If so, was assistance given or resolution achieved? _____

Permitting issues, location issues, or field/unit well spacing issues (briefly describe) _____

Write any other comments you may have here:
(use back if needed)

Name: Robert Johnson

Address: 2912 HWY STR SE
MOUNT ND 58701-3125

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson
2610 100th St NW
Antler, ND 58711

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

Landowner/Surface Owner Complaint and Issue Form

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Well or Tank Battery Site Location: Ericksen #2 @ #1
NE Lunda Field SW NE Sec 5 T163 R78W
oil field quarter, section, township, range

Operator, well name, well file: A3 operating
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well: _____

Marginal well (Dripper Well)* that is holding a lease _____

Inadequate or no reclamation of site _____

Crude oil and/or salt water spills _____

Dust issues _____

Water and contaminates runoff from site _____

Site maintenance

access roads and site not mowed _____

weeds not controlled and going to seed _____

weed control chemicals leaching off site _____

other _____

Trespass off location

snow moved off location causing associated problems _____

maintenance crews going off location causing damages _____

Inadequate diking _____

Unusable equipment stored on or off site _____

Safety violations (affecting human or livestock or wildlife) _____

Other violations of ND Industrial Commission rules and statues _____

(specify) _____

Approximately how long has this issue/issues been occurring? _____

Have you been able to bring this issue/issues to the attention of _____

the Oil and Gas Division? _____

If so, was assistance given or resolution achieved? _____

Permitting issues, location issues, or field/unit well spacing issues (briefly describe) _____

Write any other comments you may have here:

(use back if needed)

Name: Lance Kselshus
Address: 389 107 St NW Souvis N.D. 58783

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson
2610 100th St NW
Antler, ND 58711

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

1.30 2/5/2015 HB 1259

Landowner/Surface Owner Complaint and Issue Form

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Fill out as many items as you can. Fill out a form for each location. (up to 5 per individual)

Well or Tank Battery Site Location: Kselshus TB NW4 NW4 Sec 15 T163N R78W
oil field quarter, section, township, range

Operator, well name, well file: Murrex Petroleum Permit # 12423
(if known) API # 3300 901 832

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well:

Marginal well (Dripper Well)* that is holding a lease

Inadequate or no reclamation of site

Crude oil and/or salt water spills

Dust issues

Water and contaminates runoff from site

Site maintenance

access roads and site not mowed

weeds not controlled and going to seed

weed control chemicals leaching off site

other

Trespass off location

snow moved off location causing associated problems

maintenance crews going off location causing damages

Inadequate diking

Unusable equipment stored on or off site

Safety violations (affecting human or livestock or wildlife)

Other violations of ND Industrial Commission rules and statues

(specify)

Approximately how long has this issue/issues been occurring?

Have you been able to bring this issue/issues to the attention of

the Oil and Gas Division?

If so, was assistance given or resolution achieved?

Permitting issues, location issues, or field/unit well spacing issues (briefly describe)

Write any other comments you may have here:
(use back if needed)

Name: Lance Kselshus
Address: 389 107 St NW Souris N.D. 58703

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson
2610 100th St NW
Antler, ND 58711

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

Landowner/Surface Owner Complaint and Issue Form

This information is being gathered by the NWLA for Representative Onstad. He will be presenting it to the NDIC on February 22nd. Fill out as many items as you can. Fill out a form for each location. (up to 5 per individual)

Well or Tank Battery Site Location: 144-94, 145-94-145-94
oil field quarter, section, township, range

Operator, well name, well file: Marathon Oil
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well:

Marginal well (Dripper Well)* that is holding a lease

Inadequate or no reclamation of site

Crude oil and/or salt water spills

Dust issues X

Water and contaminates runoff from site

Site maintenance

access roads and site not mowed

Weeds not controlled and going to seed X

Weed control chemicals leaching off site

Other

Trespass off location

snow moved off location causing associated problems

maintenance crews going off location causing damages X other

Our major concern is dust control problems which we feel are impacting our livestock cell grazing systems. We have several miles of scoria roads around the property and this has become a major problem for us. Marathon Oil has been good about applying water when it get terrible bad but the solution needs to be either less traffic or chemicals on the roads to control this 24-7 during the spring-summer and fall months. The applying of water to the surface is only a short fix and on a hot-windy day we get by about 7-8 hours and then it starts all over again. I could show you times during the last two years in cells which cattle will not graze because of the excisive dust on the grass until a rain came along and washed off the grass. We need a study done on how dust impacts grazing systems as well as other types of crop production. These dust impacts are costing farmers and ranchers hundreds of thioosand dollars as large as this oil development is getting.

()

Name: Daryl Dukart, 470 96th ave SW Dunn Center, North Dakota 58626

Other issue: Survey crews enter without permission: Happened in 2008 – 2010 more then once each year.

We have problems on road right always with getting them to do a good job of spraying weeds. Neighbors and I continue to drive these roads for spurge and Canada thistle is our major problems at this time on these roads which have been developed over the past three –four years. Turn new ground creates new problems with these weeds.

38-08-09.9. Enlargement of area - Creation of new units - Amendment of plan. The unit area of a unit may be enlarged at any time by the commission, subject to the limitations hereinbefore provided to include adjoining portions of the same common source of supply, including the unit area of another unit, and a new unit created for the unitized management, operation, and further development of such enlarged unit area, or the plan of unitization may be otherwise amended, all in the same manner, upon the same conditions and subject to the same limitations as provided with respect to the creation of a unit in the first instance, except, that where an amendment to a plan of unitization relates only to the rights and obligations as between lessees, or the amendment to a plan of unitization or the enlargement of a unit area is found by the commission to be reasonably necessary in order to effectively carry on the joint effort, to prevent waste, and to protect correlative rights, and that such will result in the general advantage of the owners of the oil and gas rights within the unit area and the proposed enlarged unit area, and the persons and owners in the proposed added unit area have ratified or approved the plan of unitization as required by section 38-08-09.5, then such amendment to a plan of unitization or the enlargement of a unit area need not be ratified or approved by royalty owners of record in the existing unit area provided that written notice thereof is mailed to such royalty owners by the operator of a unit not more than forty days nor less than thirty days prior to the commission hearing. The notice must describe the plan for the unit amendment or enlargement together with the participation factor to be given each tract in the unit area and in the proposed area and must contain the time and place of the commission hearing. An affidavit of mailing verifying such notice must be filed with the commission. Said notice must further provide that in the event ten percent of the royalty interests or working interests in the existing unit area file with the commission at least ten days prior to the commission proceeding an objection to the plan of enlargement, the commission shall require that the unit amendment or enlargement be approved by sixty percent of all royalty interests and working interests in the existing and proposed areas.

38-08-20. Commingling of production - Central production facility - Metering of production - Testing of meters. A producer may not commingle production from two or more oil or gas wells with diverse ownership in a storage facility without prior approval of the commission after notice and opportunity for hearing. If the commingling of production is for the express purpose of separating, metering, holding, and marketing of production, the owner of the wells shall apply to the commission for approval of the proposed commingling of production at a storage facility. If wells producing into a centralized storage facility have diverse ownership, the production from each well must be measured by meters approved and tested by or under the direction of the commission or production must be measured by some other method the commission has approved after notice and opportunity for hearing. If wells producing into a centralized storage facility have common ownership, including the common ownership of the working interest, the common ownership of the royalty ownership, and the common ownership of any overriding royalty owners, the production from each well need not be measured on meters approved by the commission if the owner of the wells demonstrates to the commission that the production from each well can be accurately determined at reasonable intervals by other means.

38-08-26. Submission of geographic information system data on oil and gas underground gathering pipelines required.

3. Upon a written request by the owner or tenant of the real property regarding underground gathering pipelines located within the bounds of the real property owned or leased by that property owner or tenant, the commission shall provide to the owner or tenant the requested information. The commission may not include information, if available, on any underground gathering pipeline that exists outside the bounds of the real property owned or leased by the requesting party.

38-11.1-02. Purpose and interpretation. It is the purpose of this chapter to provide the maximum amount of constitutionally permissible protection to surface owners and other persons from the undesirable effects of development of minerals. This chapter is to be interpreted in light of the legislative intent expressed herein. Sections 38-11.1-04 and 38-11.1-04.1 **must be interpreted to benefit surface owners**, regardless of whether the mineral estate was separated from the surface estate and regardless of who executed the document which gave the mineral developer the right to conduct drilling operations on the land. Sections 38-11.1-06 through 38-11.1-10 must be interpreted to benefit all persons.

38-11.1-03.1. Inspection of well site. Upon request of the surface owner or adjacent landowner, the state department of health shall inspect and monitor the well site on the surface owner's land for the presence of hydrogen sulfide. If the presence of hydrogen sulfide is indicated, the state department of health shall issue appropriate orders under chapter 23-25 to protect the health and safety of the surface owner's health, welfare, and property.

38-11.1-04. Damage and disruption payments. The mineral developer shall pay the surface owner a sum of money equal to the amount of damages sustained by the surface owner and the surface owner's tenant, if any, for lost land value, lost use of and access to the surface owner's land, and lost value of improvements Page No. 1 caused by drilling operations. The amount of damages may be determined by any **formula mutually agreeable** between the surface owner and the mineral developer.

38-11.1-04.1. Notice of operations. 1. Before the initial entry upon the land for activities that do not disturb the surface, including inspections, staking, surveys, measurements, and general evaluation of proposed routes and sites for oil and gas drilling operations, the mineral developer shall provide **at least seven days'** notice by registered mail or hand delivery to the surface owner unless waived by mutual agreement of both parties.

c. A form prepared by the director of the oil and gas division advising the surface owner of the surface owner's rights and options under this chapter, including the right to request the state department of health to inspect and monitor the well site for the presence of hydrogen sulfide.

38-11.1-06. Protection of surface and ground water - Other responsibilities of mineral developer. If the domestic, livestock, or irrigation water supply of any person who owns an interest in real property within one-half mile [804.67 meters] of where geophysical or seismograph activities are or have been conducted or within one mile [1.61 kilometers] of an oil or gas well site has been disrupted, or diminished in quality or quantity by the drilling operations and a certified water quality and quantity test has been performed by the person who owns an interest in real property within one year preceding the commencement of drilling operations, the person who owns an interest in real property is entitled to recover the cost of making such repairs, alterations, or construction that will ensure the delivery to the surface owner of that quality and quantity of water available to the surface owner prior to the commencement of drilling operations. Any person who owns an interest in real property who obtains all or a part of that person's water supply for domestic, agricultural, industrial, or other beneficial use from an underground source has a claim for relief against a mineral developer to recover damages for disruption or diminution in quality or quantity of that person's water supply proximately caused from drilling operations conducted by the mineral developer. Prima facie evidence of injury under this section may be established by a showing that the mineral developer's drilling operations penetrated or disrupted an aquifer in such a manner as to cause a diminution in water quality or quantity within the distance limits imposed by this section. An action brought under this section when not otherwise specifically provided by law must be brought within six years of the time the action has accrued. For purposes of this section, the claim for relief is deemed to have accrued at the time it is discovered or might have been discovered in the exercise of reasonable diligence.

38-11.1-08.1. Loss of production payments. The mineral developer shall pay the surface owner a sum of money equal to the amount of damages sustained by the surface owner and the surface owner's tenant, if any, for loss of agricultural production and income caused by oil and gas production and completion operations. The amount of damages may be determined by any formula mutually agreeable between the surface owner and the mineral developer.

38-11.2-02. Inspection of well site. Upon request of another state agency, the surface owner, or an adjacent landowner, the state department of health shall conduct a site visit and evaluate site-specific environmental data as necessary to ensure compliance with applicable environmental protection laws and regulations relating to air, water, and land management under the jurisdiction of the department.

38-11.2-03. Notice of drilling operations.

1. The mineral developer shall give the surface owner written notice of the drilling operations contemplated at least twenty days prior to the commencement of the operations, unless waived by agreement of both parties.
2. This notice must be given to the record surface owner at that person's address as shown by the records of the county recorder at the time the notice is given.
3. This notice must sufficiently disclose the plan of work and operations to enable the surface owner to evaluate the effect of drilling operations on the surface owner's use of the property. Included with this notice must be a copy of this chapter.
4. If a mineral developer fails to give notice as provided under this section, the surface owner may seek any appropriate relief in the court of proper jurisdiction and may receive punitive as well as actual damages.

38-11.2-04. Damage and disruption payments - Statute of limitations. 1. The mineral developer shall pay the surface owner a sum of money equal to the amount of damages sustained by the surface owner and the surface owner's tenant, if any, for loss of agricultural production and income, lost land value, lost use of and access to the surface owner's land, and lost value of improvements caused by drilling operations. The amount of damages may be determined by any formula agreeable between the surface owner and the mineral developer. When determining damages, consideration must be given to the period of time during which the loss occurs.

38-11.2-07. Protection of surface and ground water - Other responsibilities of mineral developer.

1. The mineral developer shall conduct or have conducted an inventory of water wells located within one-half mile [804.67 meters] of where subsurface mineral exploration activities are conducted, if such exploration activities appear reasonably likely to encounter ground water, or within one mile [1.61 kilometers] of a subsurface mineral production site.
2. The mineral developer shall conduct or have conducted a certified water quality and quantity test within one year preceding the commencement of subsurface mineral production operations on each water well or water supply located on the involved real property and as identified by the surface owner of that real property.
3. If the domestic, livestock, or irrigation water supply of any person who owns an interest in real property within one-half mile [804.67 meters] of where subsurface mineral exploration activities are or have been conducted or within one mile [1.61 kilometers] of a subsurface mineral production site has been disrupted, or diminished in quality or quantity by the drilling operations, the person who owns an

interest in real property is entitled to recover the cost of making such repairs, alterations, or construction that will ensure the delivery to the surface owner of that quality and quantity of water available to the surface owner prior to the commencement of drilling operations.

4. Any person who owns an interest in real property who obtains all or a part of that person's water supply for domestic, agricultural, industrial, or other beneficial use has a claim for relief against a mineral developer to recover damages for disruption or diminution in quality or quantity of that person's water supply proximately caused from drilling operations conducted by the mineral developer.

Page No. 2

5. Prima facie evidence of injury under this section may be established by a showing that the mineral developer's drilling operations penetrated or disrupted an aquifer in such a manner as to cause a diminution in water quality or quantity within the distance limits imposed by this section.

6. An action brought under this section when not otherwise specifically provided by law must be brought within six years of the time the action has accrued. For purposes of this section, the claim for relief is deemed to have accrued at the time it is discovered or might have been discovered in the exercise of reasonable diligence.

7. A tract of land is not bound to receive water contaminated by drilling operations on another tract of land and the owner of a tract has a claim for relief against a mineral developer to recover the damages proximately resulting from natural drainage of waters contaminated by drilling operations.

8. The mineral developer is also responsible for all damages to person or property resulting from the lack of ordinary care by the mineral developer or resulting from a nuisance caused by drilling operations.

9. This section does not create a cause of action if an appropriator of water can reasonably acquire the water under the changed conditions and if the changed conditions are a result of the legal appropriation of water by the mineral developer.

43-02-03-14.2. OIL AND GAS METERING SYSTEMS.

1. Application of section. This section is applicable to all metering stations measuring production from oil and gas wells within the state of North Dakota, including private, state, and federal wells. If these rules differ from federal requirements on measurement of production from federal oil and gas wells, the federal rules take precedence.

2. Definitions. As used in this section:

a. "Allocation meter" means a meter used by the producer to determine the volume from an individual well before it is commingled with production from one or more other wells prior to the custody transfer point.

b. "Calibration test" means the process or procedure of adjusting an instrument, such as a gas meter, so its indication or registration is in satisfactorily close agreement with a reference standard.

c. "Custody transfer meter" means a meter used to transfer oil or gas from the producer to transporter or purchaser.

4. Installation and removal of meters. The commission must be notified of all custody transfer meters placed in service. The owner of the custody transfer equipment shall notify the commission of the date a meter is placed in service, the make and model of the meter, and the meter or station number. The commission must also be notified of all metering installations removed from service. The notice must include the date the meter is removed from service, and the meter or station number. The required notices (II-11) 04/2014 must be filed with the commission within thirty days of the installation or removal of a meter. All allocation meters must be approved prior to installation and use. The application for approval must be on a sundry notice (form 4) and shall include the make and model number of the meter, the meter or station number, the well name, its location, and the date the meter will be placed in service. Meter installations for measuring production from oil or gas wells, or both, must be constructed to American petroleum institute or American gas association standards or to meter manufacturer's recommended installation. Meter installations constructed in accordance with American petroleum institute or American gas association standards in effect at the time of installation shall not automatically be required to retrofit if standards are revised. The commission will review any revised standards, and when deemed necessary will amend the requirements accordingly.

6. Calibration requirements. Oil and gas metering equipment must be proved or tested to American petroleum institute or American gas association standards or to the meter manufacturer's recommended procedure to establish a meter factor or to ensure measurement accuracy. The owner of a custody transfer meter or allocation meter shall notify the commission at least ten days prior to the testing of any meter.

a. Oil allocation meter factors shall be maintained within two percent of original meter factor. If the factor change between provings or tests is greater than two percent, the meter must be repaired or adjusted and tested within forty-eight hours of repair or replaced.

e. Unless required more often by the director, minimum frequency of meter proving or calibration tests are as follows:

(1) Oil meters used for custody transfer shall be proved monthly for all measured volumes which exceed two thousand barrels per month. For volumes two thousand barrels or less per month, meters shall be proved at each two thousand barrel interval or more frequently at the discretion of the operator.

(2) Quarterly for oil meters used for allocation of production.

(3) Semiannually for gas meters used for allocation of production.

(4) Semiannually for gas meters in gas gathering systems.

43-02-03-15. BOND AND TRANSFER OF WELLS.

2. Bond amounts and limitations. The bond shall be in the amount of fifty thousand dollars when applicable to one well only. Wells drilled to a total depth of less than two thousand feet [609.6 meters] may be bonded in a lesser amount if approved by the director. When the principal on the bond is drilling or operating a number of wells within the state or proposes to do so, the principal may submit a bond conditioned as provided by law. Wells utilized for commercial disposal operations must be bonded in the amount of fifty thousand dollars. A blanket bond covering more than one well shall be in the amount of one hundred thousand dollars, provided the bond shall be limited to no more than six of the following in aggregate:

43-02-03-19. SITE CONSTRUCTION. Well sites and associated facilities shall not be located in, or hazardously near, bodies of water, nor shall they block natural drainages. Sites and associated facilities shall be designed to divert surface drainage from entering the site.

43-02-03-19.2 DISPOSAL OF WASTE MATERIAL. All waste material associated with exploration or production of oil and gas must be properly disposed of in an authorized facility in accord with all applicable local, state, and federal laws and regulations. All waste material recovered from spills, leaks, and other such events shall immediately be disposed of in an authorized facility, although the remediation of such material may be allowed onsite if approved by the director.

43-02-03-23. BLOWOUT PREVENTION. In all drilling operations, proper and necessary precautions shall be taken for keeping the well under control, including the use of a blowout preventer and high pressure fittings attached to properly cemented casing strings adequate to withstand anticipated pressures. During the course of drilling, the pipe rams shall be functionally operated at least once every twenty-

four-hour period. The blind rams shall be functionally operated each trip out of the well bore. The blowout preventer shall be pressure tested at installation on the wellhead, after modification of any equipment, and every thirty days (II-33) 04/2014 thereafter. The director may postpone such pressure test if the necessity therefor can be demonstrated to the director's satisfaction. All tests shall be noted in the driller's record.

43-02-03-29. WELL AND LEASE EQUIPMENT. Wellhead and lease equipment with a working pressure at least equivalent to the calculated or known pressure to which the equipment may be subjected shall be installed and maintained. Equipment on producing wells shall be installed to facilitate gas-oil ratio tests, and static bottom hole or other pressure tests. Valves shall be installed and maintained in good working order to permit pressure readings to be obtained on both casing and tubing.

All newly constructed underground gathering pipelines must be devoid of leaks and constructed of materials resistant to external corrosion and to the effects of transported fluids. All such pipelines installed in a trench must be installed in a manner that minimizes interference with agriculture, road and utility construction, the introduction of secondary stresses, the possibility of damage to the pipe, and tracer wire shall be buried with any nonconductive pipe installed. When a trench for an oil and gas underground gathering pipeline is backfilled, it must be backfilled in a manner that provides firm support under the pipe and prevents damage to the pipe and pipe coating from equipment or from the backfill material.

1. The operator of any underground gathering pipeline placed into service on August 1, 2011, to June 30, 2013, shall file with the director, by January 1, 2015, a geographical information system layer utilizing North American datum 83 geographic coordinate system (GCS) and in an environmental systems research institute (Esri) shape file format showing the location of the pipeline centerline. The operator of any underground gathering pipeline placed into service after June 30, 2013, shall file with the director, within one hundred eighty days of placing into service, a geographical information system layer utilizing North American datum 83 geographic coordinate system (GCS) and in an environmental systems research institute (Esri) shape file format showing the location of the pipeline centerline. An affidavit of completion shall accompany each layer containing the following information:

a. A statement that the pipeline was constructed and installed in compliance with section 43-02-03-29.

2. When an oil and gas underground gathering pipeline or any part of such pipeline is abandoned, the operator shall leave such pipeline in a safe condition by conducting the following:

c. Purge the pipeline with fresh water, air, or inert gas in a manner that effectively removes all fluid

3. Within one hundred eighty days of completing the abandonment of an underground gathering pipeline the operator of the pipeline shall file with the director a geographical information system layer utilizing North American datum 83 geographic coordinate system (GCS) and in an environmental

systems research institute (Esri) shape file format showing the location of the pipeline centerline and an affidavit of completion containing the following information:

43-02-03-30.1. LEAK AND SPILL CLEANUP. At no time shall any spill or leak be allowed to flow over, pool, or rest on the surface of the land or infiltrate the soil. Discharged fluids must be properly removed and may not be allowed to remain standing within or outside of diked areas, although the remediation of such fluids may be allowed onsite if approved by the director. Operators must respond with appropriate resources to contain and clean up spills.

43-02-03-34.1. RECLAMATION OF SURFACE.

1. 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, or a treating plant is decommissioned, the site, access road, and other associated facilities constructed shall be reclaimed as closely as practicable to original condition. Prior to site reclamation, the operator or the operator's agent shall file a sundry notice (form 4) with the director and obtain approval of a reclamation plan. The operator or operator's agent shall provide a copy of the proposed reclamation plan to the surface owner at least ten days prior to commencing the work unless waived by the surface owner. Verbal approval to reclaim the site may be given. The notice shall include:

- a. The name and address of the reclamation contractor;
- b. The name and address of the surface owner and the date when a copy of the proposed reclamation plan was provided to the surface owner;
- c. A description of the proposed work, including topsoil redistribution and reclamation plans for the access road and other associated facilities; and
- d. Reseeding plans, if applicable.

The commission will mail a copy of the approved notice to the surface owner.

All equipment, waste, and debris shall be removed from the site. Flow lines shall be purged in a manner approved by the director. Flow lines shall be removed if buried less than three feet [91.44 centimeters] below final contour.

2. Gravel or other surfacing material shall be removed, stabilized soil shall be remediated, and the well site, access road, and other associated facilities constructed for the well shall be reshaped as near as is practicable to original contour.

3. The stockpiled topsoil shall be evenly distributed over the disturbed area and, where applicable, the area revegetated with native species or according to the reasonable specifications of the appropriate government land manager or surface owner.

4. Within thirty days after completing any reclamation, the operator shall file a sundry notice with the director reporting the work performed.

5. The director, with the consent of the appropriate government land manager or surface owner, may waive the requirement of reclamation of the site and access road (II-45) 04/2014 after a well is plugged and shall record documentation of the waiver with the recorder of the county in which the site or road is located.

43-02-03-49. OIL PRODUCTION EQUIPMENT, DIKES, AND SEALS. Storage of oil in underground or partially buried tanks or containers is prohibited. Surface oil tanks and production equipment must be devoid of leaks and in good condition. Unused tanks and production equipment must be removed from the site or placed into service, within a reasonable (II-52) 04/2014 time period, not to exceed one year. Dikes must be erected and maintained around oil tanks at any production facility built or rebuilt on or after July 1, 2000.

Dikes must be erected around oil tanks at any new production facility within thirty days after the well has been completed. Dikes must be erected and maintained around oil tanks at production facilities built prior to July 1, 2000, when deemed necessary by the director. Dikes as well as the base material under the dikes and within the diked area must be constructed of sufficiently impermeable material to provide emergency containment. Dikes must be of sufficient dimension to contain the total capacity of the largest tank plus one day's fluid production. The required capacity of the dike may be lowered by the director if the necessity therefor can be demonstrated to the director's satisfaction.

Numbered metal security seals shall be properly utilized on all oil access valves and access points to secure the tank or battery of tanks.

43-02-03-54. INVESTIGATIVE POWERS. Upon receipt of a written complaint from any surface owner or lessee, royalty owner, mineral owner, local, state, or federal official, alleging a violation of the oil and gas conservation statutes or any rule, regulation, or order of the commission, the director shall within a reasonable time reply in writing to the person who submitted the complaint stating that an investigation of such complaint will be made or the reason such investigation will not be made. The person who submitted the complaint may appeal the decision of the director to the commission. The director may also conduct such investigations on the director's own initiative or at the direction of the commission. If, after such investigation, the director affirms that cause for complaint exists, the director shall report the results of the investigation to the person who submitted the complaint, if any, to the person who was the subject of the complaint and to the commission. The commission shall institute such legal proceedings as, in its discretion, it believes are necessary to enjoin further violations.

43-02-03-59. PRODUCTION FROM GAS WELLS TO BE MEASURED AND REPORTED. Gas production may not be transported from gas well premises until its volume has been determined through the use of properly calibrated measurement equipment. All measurement equipment and volume determinations must conform to American gas association standards and corrected to a pressure of fourteen and seventy-three hundredths pounds per square inch absolute [1034.19 grams per square centimeter] at a base temperature of sixty degrees Fahrenheit [15.56 degrees Celsius]. Gas production reports (form 5b) shall be filed with the director on or before the fifth day of the second month succeeding that in which production occurs.

HB1259 Audit

Good morning Chairman Klemin and Members of the House Political Subdivisions Committee.

We are requesting Performance Audits of the oil and gas division of the Industrial Commission and the State Health Department. I will focus my testimony on the oil and gas division, their inspections, and the records of those inspections to show why I believe a performance audit is necessary.

We start with a couple of reports obtained from the Dept of Mineral Resources on the inspections of the respective oil wells.

Each one has a form showing the number of hours to get the report and the charge for that. Then if you look at the reports you see that basically, what is being normally done seems to be just checked the gauges. Except there gets to be more when a spill occurs for at least a record or two. There is a lot of equipment involved. If you look to the BLM form you can see what they inspect at a well site. Seems to be a big difference.

Also included is an email from Allison Ritter saying these reports are not records, that they believe they do not need to create these reports and right at the bottom of the page note that she says there are no official forms or logs for inspection of these Saltwater disposal wells.

I also include an Attorney General's opinion on open records and the database of the Dept. of Transportation that the issues are almost identical to the database used to produce these reports. The records are records, it is clearly public information and so on.

In any case, we have problems. It should not take two or three hours to obtain these basic reports from a database. Somehow it is not functioning. We need a performance audit to find out why.

SFN 6988

41660

NORTH DAKOTA INDUSTRIAL COMMISSION

Department of Mineral Resources
600 E Boulevard
Bismarck ND 58505-0840

6/4/2014

TO:

[Redacted]

Purchase Order No.

Phone No:

Dept ID	Description	Quantity	Item Cost	Total
2250 463005	INFORMATION REQUEST/INSPECTION RPT 3 HOURS @\$25 FIRST HOUR FREE	2	\$25.00	\$50.00
Total in US Funds				\$50.00

Inspection Report

NDF #

<u>Date</u>	<u>Comments</u>
5/8/2014	Could not reach well, wet conditions.
3/18/2014	Could not reach well.
1/29/2014	Talked to pumper, SWD will be in operation soon. Could not check gauges, location has snowfall and dirt work needs to be done. Equipment is still on location.
10/23/2013	Strata on site waiting on confirmation samples, hauling in clean fill to start back-filling once the results come back. Planning on putting in some tile drain. Have a hole between 3 and 4' deep.
8/22/2013	Earthmovers digging contaminated soil, stockpiling by Ralph Smith for hauling.
8/14/2013	Dead vegetation down to the water line to the east, Strata/Earthmovers track-hoe at location, holes dug around the area, oil on the ground around break. Still need a spill report.
8/12/2013	Received spill notice call from [REDACTED] Line leak, out in field between [REDACTED] and [REDACTED], oil and saltwater. Will send in spill report. Will contact landowner. Having Earth Movers do cleanup.
5/16/2013	Checked gauges, tubing gauge is broken.
9/21/2012	Checked gauges, pumping.
4/25/2012	Checked gauges, not pumping.
3/8/2012	Checked gauges, not pumping.
2/17/2012	MIT passed.
1/19/2012	Checked gauges.
1/3/2012	Checked gauges, pumping @ 480 psi.
9/26/2011	Checked gauges.
7/13/2011	Checked meter. Could not reach well.
5/25/2011	Could not reach wellhead. Checked meter.
4/6/2011	Could not reach wellhead. Checked meter.
2/1/2011	Could not reach wellhead.
12/22/2010	Could not reach wellhead. Needs better diking. Could not reach pump.
9/29/2010	Needs better diking. Could not reach wellhead. Checked meter. Took TP off Murphy switch.
8/13/2010	Checked meter. Needs some work on diking. Could not reach wellhead.
6/25/2010	Checked meter. Could not reach wellhead.
4/29/2010	Checked gauges.
3/8/2010	Could not reach wellhead. TP taken off Murphy switch. Checked meter.
1/19/2010	Could not reach wellhead. Checked meter and took TP off Murphy switch.
11/24/2009	Checked gauges. Could not reach wellhead. TP taken off Murphy switch.

Inspection Report

[REDACTED]

NDF # [REDACTED]

- 10/6/2009 Checked meter. Roustabouts laying in cattle guard. Well shut in.
- 7/30/2009 Checked meter. Could not reach wellhead.
- 6/1/2009 Checked meter. Couldn't reach wellhead.
- 4/17/2009 Checked meter. Couldn't reach wellhead.
- 2/3/2009 Ran MIT w/ [REDACTED] and [REDACTED] fine hot oiler.
- 1/20/2009 [REDACTED] called in a spill. About 2 barrels. Line break. Will clean what they can, and send in a spill report.
- 12/22/2008 Couldn't reach wellhead or meters. Snowed in.
- 10/13/2008 Could not reach wellhead. Checked meter.
- 7/29/2008 SI Working on pump. Couldn't reach wellhead.
- 5/1/2008 SI Couldn't reach wellhead. Some additional cleanup done.

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SFN 6988

42595

Customer Copy
NORTH DAKOTA INDUSTRIAL COMMISSION

Department of Mineral Resources
600 E Boulevard
Bismarck ND 58505-0840

8/25/2014

TO: [REDACTED]
[REDACTED]
[REDACTED]

Purchase Order No.

Phone No: [REDACTED]

Dept ID	Description	Quantity	Item Cost	Total
2100 420375	INFORMATION REQUEST 2 HRS/1ST HR FREE \$25.00 PER HOUR	1	\$25.00	\$25.00

NO INDUSTRIAL COMMISSION-0
600 E BLVD AVE DEPT 405
BISMARCK, ND 58505
701-328-8011

Merchant ID: 2888

Ref #: 0015

Phone Order

XXXXXXXXXXXX8729

MAST Entry Method: Manual

Total: \$ 25.00

08/25/14 13:05:15

Inv #: 000015 Appr Code: 002577

Transaction ID: 0025MDSF5XHNW

Apprvd: Online Batch#: 000053

CVC2 Code: MATCH M

PO #: 42595

Total in US Funds

\$25.00

Customer Copy

THANK YOU!

JAB

Inspection Report

NDF# [REDACTED] 2

Date	Comments
./2014	Heavy equipment still on location. The clean-up process is still on-going, most of the contaminated soil has been removed. Tank has been removed.
7/30/2014	North Country Oil Inc. is using suck truck and taking a squeegee to the fluid and working back from the main road to the location. [REDACTED] diked the field and will be doing the dirt work with backhoe and dozer. [REDACTED] will be hauling contaminated dirt. Talked with [REDACTED] on location. [REDACTED] is landowner. Tank collapsed, took out pump house building. Spill went over road on location to the west ditch of the lease road. Some in the field. [REDACTED] will be working with the Health Department for possible soil testing to determine how much to remove. Fluid going to [REDACTED] Disposal (Minot). Well head did not seem to be affected. Well has hole in casing, and rig had been on it a few weeks ago. Tank seemed to have collapsed on the west side of the tank. Phone call of spill from [REDACTED] (#9 [REDACTED]) at 6:15 PM on 7-29-14. Had tank collapse on location, and plumbing connected to additional tank so it also drained out. Approx. 500-600 bl SW. People on location, and trucks on way. [REDACTED] will manage spill cleanup. Will contact landowner, and send in spill report.
7/11/2014	Shut-In. Pipe stored on location. Water inside dike.
5/8/2014	Shut-In. Equipment on location/could not reach/wet conditions.
3/18/2014	Shut-In. Pipe stored on location.
1/29/2014	Shut-In. Equipment on location.
11/20/2013	Shut-In. Work-Over Rig on location.
11/1/2013	Mechanical Integrity Test Failed, ask company to SI well.
8/15/2013	checked gauges.
5/16/2013	Checked gauges.
2/14/2013	checked gauges.
/2012	checked gauges, pumping.
/2012	checked gauges, not pumping
3/8/2012	Checked gauges, not pumping
1/19/2012	Checked gauges.
1/3/2012	Checked gauges, not pumping, catwalk up on tank.
9/26/2011	Oil cleaned up and working on upgrading diking.
	Catwalk on ground.
	Checked gauges.
7/13/2011	Checked gauges. Location has a small amount of oil on the ground in dike. Catwalk on ground.
5/25/2011	Checked gauges. Has catwalk on ground.
4/6/2011	Checked gauges, Could not reach meter.
2/1/2011	Could not reach.
12/22/2010	Could not reach meter. Checked gauges. Catwalk on location.
9/29/2010	Could not get into meter. Catwalk on location. Checked gauges
8/13/2010	Checked gauges. Has some catwalk on ground. Could not look at meter.
7/23/2010	Shannon Holter called in spill of about 10 barrels of Salt Water. 2" nipple failed. Contained in dike. Will send in spill report and clean it up. Going to be re-doing this battery.
6/25/2010	Checked gauges.
4/29/2010	Checked gauges.
3/8/2010	Checked gauges.
1/19/2010	Checked gauges.

Nelson, Marvin E.

From: Nelson, Marvin E.
it: Thursday, February 05, 2015 7:54 AM
.o: Nelson, Marvin E.
Subject: FW: Oil Records

From: Ritter, Alison M.
Sent: Tuesday, July 01, 2014 9:31 AM
To:
Subject: RE: SWD

Mr.
Thank you for your patience while I gathered information from your emails. I tried to break out the questions below to make sure I got everything you were looking for answered. I also wanted to make sure I sent everything, including your information request together so nothing was missed. Again, thanks for your patience.
Attached is the invoice relating to your information request. Once payment is received, I can release the report. We do accept credit cards. You will want to contact Jeanette Bean at 701-328-8020 for payment.

Below are answers to your questions regarding _____:
If barrels on form 16's and SWD or injection well meters match, can we assume no barrels were removed from collection sumps? No. Meters are for injected volumes, not source volumes. Water removed from the collection sumps is pumped to a variety of central tank batteries served by disposal and injections wells within Renville Township, not just the Cramer.

In the alternative, how do landowners that have disposals on their land and are paid per barrel for disposal get accurate accounting of barrels disposed? Barrels disposed of are metered and reported on the form 16's. A landowner may double check the information for free via phone or our lobby services. They may also choose to subscribe to one of our website services.

How can landowners, township or even oil company know how many barrels are pumped out of collection sumps on the _____ property in any month. Are the members of our community and townships not entitled to some accountability for reclaiming this huge devastation that appears to be spreading? Environmental assessment reports are provided to the North Dakota Department of Health and the Department of Mineral Resources in regards to the status of the clean-up. The operator and environmental consultant are being held accountable through periodic reporting and inspections. The environmental assessment reports provided by the environmental consultant are available for members of the community to review.

The following is a response to your email on 6/5/14:
The notes you request are not records, therefore the request is not for records, rather an information request. The notes are entered directly within a confidential data base and must be extracted and compiled to create a report. Open records laws do not require an agency to create or compile a record that does not exist. This has been processed as an information request and the report you received has been compiled to accommodate your request.
Well integrity tests are submitted on an official state form and are a record. Well integrity tests can be viewed within the well file for which it pertains.

Do they have a checklist or log of some sort they fill out when they make a scheduled site visit?
Inspector visits and observations are entered directly into a database that contains confidential information. There is no official form or log.
How often are disposal wells checked?
The agency goal is monthly.

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What do they inspect for and how do they record their inspections?

They inspect well pressure, well integrity and site maintenance. They note any observed violations that may need correction upon the next inspection.

How often are oil wells checked?

The agency goal is to check producing wells quarterly and temporarily abandoned wells twice a year.

Alison Ritter

Public Information Officer
Department of Mineral Resources
Phone: 701-328-8036
Fax: 701-328-8022
amritter@nd.gov
www.dmr.nd.gov/oilgas

From: Ritter, Alison M.
Sent: Wednesday, June 04, 2014 3:13 PM
To: _____
Subject: RE: Record Request

There is a \$50 charge for time spent locating notes and generating a report of the inspections on the _____.

What's the address I should list on the invoice?

Alison Ritter

Public Information Officer
Department of Mineral Resources
Phone: 701-328-8036
Fax: 701-328-8022
amritter@nd.gov
www.dmr.nd.gov/oilgas

**OPEN RECORDS AND MEETINGS OPINION
2007-O-01**

DATE ISSUED: February 12, 2007

ISSUED TO: North Dakota Department of Transportation

CITIZEN'S REQUEST FOR OPINION

On October 3, 2006, this office received a request for an opinion under N.D.C.C. § 44-04-21.1 from Paul Kanitra of Carfax asking whether the North Dakota Department of Transportation (Department) violated the open records law by refusing to provide information from a Department database.

FACTS PRESENTED

Carfax is a company that provides vehicle history reports to used car buyers and sellers. On August 23, 2006, Carfax requested access to the Department's electronically stored automobile accident record information in any form available. Keith Magnusson, deputy director of the Department, denied the request because a computer program would have to be developed in order to remove the fields of confidential information from the database and to transmit the remaining fields to Carfax.

According to the Department, it receives accident reports electronically or by mail. The Department either scans or electronically places accident reports into the Department's Electronic Document Management System (EDMS). In addition to the EDMS system, the separate pieces of information from the accident report are also entered into a multiple field database called the Crash Report System (CRS).¹ The Department uses the database to create reports from the CRS for use by the federal government, the North Dakota Highway Patrol, the Department's engineers, and by the Department to update drivers' license records. The reports that are currently run from the CRS system contain aggregate statistical information and do not contain the exact information requested by Carfax. The reports may be printed, but the data in the database, as a whole, cannot be printed.

¹ A database is collection of data, or information that is specially organized for rapid search and retrieval by a computer. www.britannica.com (definition of database) Information is extracted from a database by a set of instructions written in a "program" or a "database management system."

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Carfax seeks access to the nonconfidential raw data contained in the CRS. In order to provide an electronic copy of the information from the database as requested by Carfax, the Department would have to develop a new computer program that would cost a minimum of \$4,000.

ISSUES

1. Whether the Department improperly denied Carfax records under N.D.C.C. § 44-04-18(4).
2. Whether the Department may charge the statutorily authorized fee of two dollars for database records.

ANALYSES

Issue One

"Except as otherwise specifically provided by law, all records of a public entity are public records, open and *accessible* for inspection during reasonable office hours."² "A 'record' means recorded information of any kind, regardless of the physical form or characteristic by which the information is stored, recorded, or reproduced, which is in the possession or custody of a public entity."³ This definition includes electronic records stored in computers.⁴

The Department contends that if it created a new program that would allow it to provide Carfax with the non-confidential information it requested from the database, it would be creating a new record, and providing information from the database in a new structure. To support this contention, the Department points to language in N.D.C.C. § 44-04-18(4) that states, in part, that "nothing in this section requires a public entity to create or compile a record that does not exist. . . a public entity is not required to provide an electronically stored record in a different structure, format, or organization."⁵

The Department overlooks a relevant part of N.D.C.C. § 44-04-18(4) that states "[a]ccess to an electronically stored record under this section [44-04-18], or a copy thereof, must be provided at the requester's option in either a printed document or through any other available medium."⁶ The CRS is an electronically stored record to which the Department is required to provide access. Although certain reports containing aggregate statistical information can be printed from the database, the raw

² N.D.C.C. § 44-04-18. (Emphasis added.)

³ N.D.C.C. § 44-04-17.1(15).

⁴ N.D.A.G. Letter to Tracy (Sept. 10, 1992).

⁵ N.D.C.C. § 44-04-18(4).

⁶ N.D.C.C. § 44-04-18(4). (Emphasis added.)

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data stored in the database cannot be printed, making the Department's CRS database essentially inaccessible.

This office has never addressed the extent of a public entity's obligation to provide access to a database in its possession. In Florida, as in North Dakota, an agency is not generally required to reformat its records to meet a requester's particular needs.⁷ However, Florida law expressly states that "[a]utomation of public records must not erode the right of access to those records."⁸ Florida statutes also prohibit Florida public agencies from entering into contracts for the creation or maintenance of a public records database if that contract impairs the ability of the public to inspect or copy the public records of that agency, including public records that are online or stored in an electronic recordkeeping system used by the agency.⁹ A Florida court recognized that a public entity may be required to provide access through a specially designed program where:

- 1) available programs do not access all of the public records stored in the computer's data banks;
- 2) the information in the computer accessible by the use of available programs would include exempt information necessitating a special program to delete such exempt items;
- 3) for any reason the form in which the information is proffered does not fairly and meaningfully represent the records; or
- 4) the court determines other exceptional circumstances exist warranting this special remedy.¹⁰

In this case, the existing programs cannot provide access to all records on the CRS. Writing a computer program that would allow access to the CRS database is not the creation of a new record. Rather, the program developed would provide the means through which Carfax could access the public records maintained in the database. This office has not addressed whether providing a means to access records would be so costly or cumbersome that it would require more effort or expense than the open records law requires of the public entities subject to it. I need not reach that issue here as Carfax has agreed to pay for the cost to develop the program needed to access the data.¹¹

⁷ Government in the Sunshine Manual, 2006 Edition, pg. 75, Florida.

⁸ Fla. Stat. § 119.01(2)(a).

⁹ Fla. Stat. § 119.01(2)(c).

¹⁰ Seigle v. Barry, 422 So. 2d 63, 66-67 (Fla. 1982).

¹¹ See Mayer v. Freedom of Information Com'n, 472 A.2d 321, 325 (Conn. 1984) (where none of the existing computer programs would produce the magnetic tapes requested,

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Rather than create a new program to access CRS, the Department suggests that it print out the actual accident reports maintained in the EDMS system. It contends that because another record contains the information Carfax is seeking the Department does not have to provide access to the CRS database. This argument ignores the fact that Carfax did not request copies of the actual accident reports; it requested access to the database.

A similar argument was made in a recent case decided by a Wisconsin Court of Appeals. A company requested property assessment records in the format created and maintained by municipalities in a computer database.¹² In response, the municipalities provided the company with a portable document file (PDF) in place of what was actually requested, and argued that the response satisfied the request because the PDF essentially provided the same information as was contained in the database.¹³ The municipalities, like the Department in this situation, argued that providing access to the databases would require the creation of a new record.

The Wisconsin Court of Appeals found that the municipalities could not provide the PDF record in place of access to the database. It also rejected the argument that providing access to the database would require the creation of a new record. With regard to providing the PDF as an alternative, the Court explained that the open records law and the public policy underpinning the open records law require more than just providing an alternative record containing similar information. The open records law requires access to the source material – material as it is both put into and stored in the database, regardless of its physical form or characteristics.¹⁴ The Court made clear that the “data, maintained at public expense in the database, was as much a part of the public record as if it were written on paper property cards and organized and stored in a file cabinet.”¹⁵ Therefore, because the database was created by the municipalities, the requester had a right to ask for access to the database for purposes of examination and copying the source data.¹⁶

North Dakota and Wisconsin’s open records laws define “record” in a similar manner. Both consider “recorded information of any kind, regardless of the physical form or characteristic by which the information is stored. . .” to be a record subject to

and the cost of a new program was to be borne by the requester, an order compelling production of the tapes was within the commission’s authority).

¹² WIREdata, Inc. v. Village of Sussex, Slip Op., 2007 WL 10110, Wis. App. January 3, 2007, (NO. 2005AP1473, 2006AP174, 2006AP175).

¹³ WIREdata, Inc., at ¶ 63.

¹⁴ Id.

¹⁵ WIREdata, Inc., at ¶ 64.

¹⁶ WIREdata, Inc., at ¶ 66.

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inspection.¹⁷ Like the information in the Wisconsin database, the information in the CRS database is a record subject to the open records law and thus required to be accessible.

It is my opinion that because the records in question are not accessible by current programs, the Department must develop a program that will provide access to the records.¹⁸ The Department is not obligated to develop a program that precisely meets Carfax's specifications, but it does have to provide some form of meaningful access to the database. It is my further opinion that the Department improperly denied the Carfax request.

Issue Two

By statute, the Department may charge a fee of two dollars for a copy of the portion of an investigating officer's accident report which does not disclose the opinion of the reporting officer.¹⁹ The Department has asked this office whether the charges allowed under N.D.C.C. § 39-08-13 are appropriate with regard to access to or copies generated from the CRS.

As explained in the "FACTS" portion of this opinion, when the Department receives an accident report, the actual document is scanned into the EDMS. When it receives a request for a copy of an accident report, the Department prints it from the EDMS and charges the requester two dollars as allowed by N.D.C.C. § 39-08-13. The record received is considered for all purposes the "accident report."

When the Department enters the pieces of information from the accident report into the CRS database, the information loses its identity as an "accident report," and a new record is created. If Carfax had asked for electronic scans of each report from the EDMS, the Department could charge the two dollar fee because the scan retains the same form as the accident report. However, the records provided from the CRS database are not in the form of an "accident report" as described in the statute. Therefore, the Department cannot charge the fees allowed in N.D.C.C. § 39-08-13 for providing a copy of the data in the CRS database.

The open records law allows public entities to charge a fee for copies of records, but the law specifically relates to paper copies.²⁰ Generally, access to public records is free and there is no statutory fee for records provided electronically. The open records law authorizes a state-level public entity, such as the Department, to provide access from an outside location to any computer data bases or electronically filed or stored

¹⁷ N.D.C.C. § 44-04-17.1(15).

¹⁸ According to Carfax, it will pay for any formatting costs incurred by the Department.

¹⁹ N.D.C.C. § 39-08-13.

²⁰ N.D.C.C. § 44-04-18(2).

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information maintained by that entity.²¹ The entity may charge a reasonable fee for providing that outside access.²² The Department may not charge a fee if Carfax accesses the database at the Department. It may, however, charge a reasonable fee for making an electronic copy of the data.²³ A reasonable fee means the actual cost of making the copy, including labor, materials, and equipment.²⁴

CONCLUSIONS

The Department improperly denied the request by Carfax for access to the CRS database. It must develop a program that will provide access, in a meaningful form, to Carfax. The Department may not charge the two dollar fee allowed under N.D.C.C. § 39-08-13, but may charge a reasonable fee for providing outside access to Carfax or for making an electronic copy of the data.

STEPS NEEDED TO REMEDY VIOLATION

The Department must write a program that will allow meaningful access to the CRS database.

Failure to take the corrective measures described in this opinion within seven days of the date on which this opinion is issued will result in mandatory costs, disbursements, and reasonable attorney fees if the person requesting the opinion prevails in a civil action under N.D.C.C. § 44-04-21.2.²⁵ It may also result in personal liability for the person or persons responsible for the noncompliance.²⁶

Wayne Stenehjem
Attorney General

Assisted by: Mary Kae Kelsch
Assistant Attorney General

vkk

²¹ N.D.C.C. § 44-04-18(5).

²² Id.

²³ N.D.C.C. § 44-04-18(3).

²⁴ N.D.C.C. § 44-04-18(2).

²⁵ N.D.C.C. § 44-04-21.1(2).

²⁶ Id.

2.15

2/15/2015 HB 1259

Form 3160-11 (December 7, 2002)		UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT										
INSPECTION RECORD – PRODUCTION												
Case/Unit PA/CA Contract No.					Unit Name					Operator		
PR Year					Inspection Type					Open Date		Close Date
Insp No.	Inspector	ACT. Code	Open Date	Close Date	Wells Inspected	Facility ID Inspected	Office Time	Travel Time	Inspect Time	Trips	Referrals	Oil/Gas Gain/Loss Recovered
Purchaser Oil					Purchaser Gas					<input type="checkbox"/> Oil <input type="checkbox"/> Gas		
GENERAL										Inspected	Violation	N/A
1. Identification Satisfactory (per 43 CFR 3162.6)										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Tanks										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Facilities										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Wells										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well Equipment Satisfactory										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Protection Satisfactory (per 43 CFR 3162.3-1, 3162.5-1, 3162.7-1, OO No. 7 and NTL3-A)										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Water Disposal										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Pits										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Subsurface										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Surface Use										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Undesirable										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liquid Hydrocarbons Production (per Order No. 4)												
4. Liquid Handling Equipment Satisfactory										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Bypass Around Measurement Point										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Measurement Satisfactory (attach Run Ticket, Proving Report, 3160-16, or 3160-17 and Volume Calculations)										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Tank Gauging: Bottom Gauge Temp										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. Performed (attach volume calculations)										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Witnessed										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. LACT Proving Witnessed: Previous Factor: New Factor: (attach proving report)										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Gas Production (per Order No. 5)												
6. Gas Handling Equipment Satisfactory										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Bypass Around Measurement Point										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Type of Production: <input type="checkbox"/> Gas Well <input type="checkbox"/> Casing Head										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Measurement Satisfactory (attach appropriate forms 3160-15 or independent calculations)										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Orifice Pipe ID Beta Ratio										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Site Security (per 43 CFR 3162.7-5, Order No. 3)												
No Bypass										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facility Diagram (Onsite Verification)										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Diagram Accurate										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Facilities Adequately Sealed: <input type="checkbox"/> Sales Phase <input type="checkbox"/> Production Phase										<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Table HB 1259 2/5/2015

11. LACT		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Components Complete		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Sealed to Minimum Standards		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Seal Record <input type="checkbox"/> Facility <input type="checkbox"/> LACT		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Maintained by Operator		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Current		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety (per 43 CFR 3162.5-3, Order No. 6)				
13. H2S		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. Hazard		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. PPM: Ambient: STV: Gas Stream:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Operating Requirements Met		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Public Protection Plan <input type="checkbox"/> Required <input type="checkbox"/> Available		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. General Safety – Are all operations performed in a safe and workmen like manner?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECORDS REVIEW		REVIEW DATES		
15. Production/Measurement Records (per Order No. 4 & 5)		From	To	<input type="checkbox"/>
A. Internal Records (attach any independent calculations)				<input type="checkbox"/>
1. MMS 3160 (MRO)				<input type="checkbox"/>
2. LACT Meter Proving Report				<input type="checkbox"/>
3. Gas Meter Calibration Report				<input type="checkbox"/>
B. External Records (attach any independent calculations)				<input type="checkbox"/>
1. Run Tickets / LACT print-outs				<input type="checkbox"/>
2. Pipeline Run Statements				<input type="checkbox"/>
3. Pumpers Log				<input type="checkbox"/>
4. Seal Records				<input type="checkbox"/>
a. LACT				<input type="checkbox"/>
b. Facility				<input type="checkbox"/>
5. Purchasers Gas Volume Sales Reports				<input type="checkbox"/>
6. Chart Integration Reports				<input type="checkbox"/>
7. Methods Used to Estimate Volumes of Gas Flared/Vented				<input type="checkbox"/>
8. Methods Used to Estimate Volumes of Gas or Oil Lost/Used on Lease				<input type="checkbox"/>
OTHER				
16. Royalty Rate Determination (per 43 CFR 3162.7-4) Effective Royalty Rate		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Transporter Manifest Review (per 43 CFR 3162.7-1)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS

2.17 HB 1259 2/5/2015

Landowner/Surface Owner Complaint and Issue Form

This information is being gathered by the NWLA for Representative Onstad. He will be presenting it to the NDC on February 22nd. Fill out as many items as you can. Fill out a form for each location. (up to 5 per individual)

Well or Tank Battery Site Location: 58 1/4 1-163-81
oil field quarter, section, township, range

Operator, well name, well file: _____
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well: _____

Marginal well (Dripper Well)* that is holding a lease _____

Inadequate or no reclamation of site _____

Crude oil and/or salt water spills

Dust issues _____

Water and contaminates runoff from site _____

Site maintenance

access roads and site not mowed _____

weeds not controlled and going to seed _____

weed control chemicals leaching off site _____

other _____

Trespass off location

snow moved off location causing associated problems _____

maintenance crews going off location causing damages _____

Inadequate diking _____

Unusable equipment stored on or off site _____

Safety violations (affecting human or livestock or wildlife) _____

Other violations of ND Industrial Commission rules and statutes _____

(specify) _____

Approximately how long has this issue/issues been occurring? 2 years

Have you been able to bring this issue/issues to the attention of the Oil and Gas Division? NO

If so, was assistance given or resolution achieved?

Permitting issues, location issues, or field/unit well spacing issues (briefly describe)

Write any other comments you may have here:

(use back if needed)

- Did a shitty job reclaiming the pit tarp above ground

- left there garbage hayrack

- Took long time to clean up mess around

- pit ran over do to all rain fall

Name: Jeremy Grann

Address: 10749 17th Ave NW
Westhope, ND 58793

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson
2610 100th St NW
Antler, ND 58711

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

218 HB 1259 21512015

Landowner/Surface Owner Complaint and Issue Form

This information is being gathered by the NWLA for Representative Onstad. He will be presenting it to the NDIC on February 22nd.
Fill out as many items as you can. Fill out a form for each location. (up to 5 per individual)

Well or Tank Battery Site Location: SW 20 163-82
oil field quarter, section, township, range

Operator, well name, well file: _____
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well: _____

Marginal well (Dripper Well)* that is holding a lease _____

Inadequate or no reclamation of site LEASE ROAD

Crude oil and/or salt water spills _____

Dust issues _____

Water and contaminates runoff from site _____

Site maintenance _____

access roads and site not mowed

weeds not controlled and going to seed

weed control chemicals leaching off site _____

other

Trespass off location _____

snow moved off location causing associated problems _____

maintenance crews going off location causing damages _____

Inadequate diking _____

Unusable equipment stored on or off site _____

Safety violations (affecting human or livestock or wildlife) _____

Other violations of ND Industrial Commission rules and statues _____

(specify) _____

Approximately how long has this issue/issues been occurring? _____

Have you been able to bring this issue/issues to the attention of _____

the Oil and Gas Division? _____

If so, was assistance given or resolution achieved? _____

Permitting issues, location issues, or field/unit well spacing issues (briefly describe) _____

Write any other comments you may have here:

(use back if needed)

Name: [Signature]

Address: 2912 HWY ST SE
MINNETONKA ND 58701-3125

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson
2610 100th St NW
Antler, ND 58711

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

Onstad, Kenton B.

From: Onstad, Kenton B.
t: Wednesday, April 06, 2011 9:22 AM
Erickson, Ladd R.
Subject: FW: salt water spill at Rice-State 2H SWD well

-----Original Message-----

From: gpete@srt.com [<mailto:gpete@srt.com>]
Sent: Sunday, February 27, 2011 5:27 PM
To: Vanderbusch, Cody W.; Hvinden, Dave C.; McCusker, David J.; Wollan, Glenn L.; Helms, Lynn D.; Bohrer, Mark F.; Schumacher, Tom O.; Garbe, Bob K.; Dihle, Scott D.; Ladner, Scott L.; Fine, Karlene K.; -Info-Governor's Office; Goehring, Doug C.; Stenehjem, Wayne K.; Onstad, Kenton B.; O'Connell, David P.; Hunskor, Bob L.; Froseth, Glen A.; Meyer, Shirley J.; Lyson, Stanley W.; chris.bjorke@bismarcktribune.com
Subject: salt water spill at Rice-State 2H SWD well

February 27, 2011

To whom it may concern,

Yesterday, February 26th, a huge salt water spill occurred in the Renville Oil Field. The spill happened at the Rice-State 2H salt water disposal well which is located 1 mile north and 3/4 west of Renville Corner. (approximately 37 miles north of Renville) This well disposes over 6000 barrels (250,000 gallons) of salt water per day at a pressure of 1200 psi. I investigated the site and noticed the diking around the well is totally inadequate. The salt water apparently went through the southeast corner of the dike and traveled approximately 600-800 feet over the adjacent field toward a natural coulee. Cleanup yesterday consisted of removing snow in the field that the spill had contaminated. This could not have removed salts that penetrated into the soil.

In August and September of this past year, the same operator of this well had two sizable spills in this oil field. Both spills breached the dikes, which also were totally inadequate. Unless the operator of this oil field and other oil fields is brought to task, and required to install dikes that will contain spills, which is clearly stated in the regulations, there will be large areas of prime farmland in Bottineau County totally ruined.

If these same regulation standards are occurring across the oil fields of North Dakota, and it appears that is the case, 10's of thousands of acres of farmland are at risk. We, as a State, can no longer accept lax enforcement of regulations.

Galen Peterson
Maxbass, ND 58760
email: gpete@srt.com
Phone: 701-268-3329

2.20 HB 1259 2/5/2015

Scan_Doc0011.pdf
Scan_Doc0012.pdf
Scan_Doc0013.pdf

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of attachments. Check your e-mail security settings to determine how attachments are handled.

2.21 HB 1259 2/5/2015

Onstad, Kenton B.

From: Onstad, Kenton B.
Date: Wednesday, April 06, 2011 9:07 AM
To: Erickson, Ladd R.
Subject: FW: Industrial Commission Meeting
Attachments: IMG_0666.JPG; IMG_0778.JPG; Scan_Doc0008.pdf; Scan_Doc0009.pdf; Scan_Doc0010.pdf; Scan_Doc0011.pdf; Scan_Doc0012.pdf; Scan_Doc0013.pdf

From: Jacki [<mailto:jboid@dia.net>]
Sent: Tuesday, February 08, 2011 9:11 AM
To: Onstad, Kenton B.
Cc: Ashley Lauth
Subject: Industrial Commission Meeting

Mr Onstad, I am very grateful to have the chance to share my story with you and hopefully make a difference in how our ND Oil and Gas department is operating. I have had nothing but nightmares since this activity started, from severe health problems to dead livestock. I have dealt with both the North Dakota State Health Department and Oil and Gas trying to resolve these problems, with no results. My biggest concern is the fact that there is NO enforcement of regulation by the Oil and Gas department in North Dakota. I understand that they are short on staffing, but even when handed facts and figures they do nothing about it, or protect landowners and natural resources. I will give you an example of exactly this type of activity, the file attached contains reports and pictures. Oasis Oil and Gas have a well site on land next to mine, we have no sites on land we own, this site is within 500' of my stock dam. Recently the treater blew out on this site, covered our land with oil, saltwater and chemicals, and no one bothered to even call and tell us, or report this to the ND Oil and Gas department. Oasis went onto our land with a dozer, pushed up all of the waste in a pile of snow and left this on the section line to the north, into the ground, run into our stock dam and blow over the creek next to our home. I forgot to mention they drove past a No Trespassing/Hunting sign with our name and phone number on it to do this. When they were forced to file a report, it was nothing but lies, and I have photos to prove this and sent to ND Oil and Gas. We were told there would be soil samples taken, and nothing was done, the water was not checked either. We got a call from Sundance Oil and Gas about this matter and they stated "whats your problem, we didn't do anything wrong". Their excuse for going on our land without permission and not reporting this was "it was an emergency, they were worried about a grass fire" now in the pictures you will note, we have 70" of snow here, very little chance of a grass fire in December. Several weeks later the exact same thing happened on an Oasis well site to the east of my house, and also did not report this and cleaned it up the same way. Now my concern comes from the fact that I already have one contaminated well on my property, this test comes straight from the North Dakota Health Department. Oasis also had a "pit" south of my house last summer, in the picture you will see the mess this was, rain water washed this into our water way and it ran into a stock dam I have south of my house, and the well is located next to that dam. Now the chemical in this well is 1,2-Dichloroethane, this is considered hazardous waste, and also high concentration of magnesium, boron, sodium, sulfate and uranium. Further testing of the water has shown these are all inorganic substances, and contains other chemicals also. My cattle drink this water, and to no surprise are sick, and several have died. Several neighbors have also tested water, and are coming back with similar reports, and some higher than mine. I have given my own blood test reports with high levels of arsenic and gernamium to the Health Department and Oil and Gas, they have my water reports, as they took them, yet nothing is done, and they ignore the problem. I have been told by three medical doctors, one of them the CDC, that I must move to solve medical problems. How sad is this that we are forced to leave our homes in order to live and keep our livestock alive? Someone needs to take some responsibility here and get control of the activity in the Oil Industry. Thank-You, Jacki Schilke

The message is ready to be sent with the following file or link attachments:

IMG_0666.JPG
IMG_0778.JPG
Scan_Doc0008.pdf
Scan_Doc0009.pdf
Scan_Doc0010.pdf



Form 3 - MS Recoveries

Project Name: Midland Odessa Standard List of prices



Work Order #: 396871

Lab Batch #: 831696

Date Analyzed: 11/11/2010

QC- Sample ID: 396871-001 S

Reporting Units: mg/L

Date Prepared: 11/11/2010

Batch #: 1

Project ID:

Analyst: LATCOR

Matrix: Water

Inorganic Anions by EPA 300 Analytes	MATRIX / MATRIX SPIKE RECOVERY STUDY					
	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	%R [D]	Control Limits %R	Flag
Chloride	ND	500	557	111	90-110	X
Sulfate	681	450	1190	113	90-110	X
Nitrate as N	ND	100	88.0	88	90-110	X

Matrix Spike Percent Recovery [D] = 100*(C-A)/B
 Relative Percent Difference [E] = 200*(C-A)/(C+B)
 All Results are based on MDL and Validated for QC Purposes

BRL - Below Reporting Limit

2.23 HB 1259 2/5/2015

North Dakota Department of Health
Chemistry Division

Original Report Date: 11/18/10

Report Date: 11/20/10

Log Number: 10-C680

Date Collected: 10/21/10

Date Received: 10/22/10

Time Collected: 15:35

Time Received: 11:54

Township: 156N

Range: 102W

Section: 17AAD

Owner: SCHILKE RANCH INVTGATION

Source: BARN WELL- APPROX 60 FT

Project: CG106 GROUNDWATER 106 GENERAL

Comments:

WATER QUALITY
ATTN KRIS ROBERTS
MISSOURI OFFICE BUILDING
BISMARCK ND 58501

Approved by: 
Organic

Approved by: 
Inorganic

Chemical Analysis of Sample

Analyte	Result	Units	Evaluation
Conductivity	3280	umhos/cm	
Dissolved Solids(C)-Total	2380	mg/L	High
Hardness Total (as CaCO3)	364.	mg/L	High
Alkalinity (CaCO3) (Total)	891.	mg/L	High
pH	7.18		
Iron (Fe)	1.24	mg/L	High
<u>Manganese (Mn)</u>	<u>0.257</u>	mg/L	<u>High</u>
Calcium (Ca)	70.4	mg/L	
<u>Magnesium (Mg)</u>	<u>45.6</u>	mg/L	
<u>Sodium (Na)</u>	<u>744.</u>	mg/L	<u>Very High</u>
Potassium (K)	8.8	mg/L	
Carbonate (CO3)	< 1	mg/L	
Bicarbonate (HCO3)	1090	mg/L	
<u>Sulfate as (SO4)</u>	<u>970.</u>	mg/L	<u>Very High</u>
Chloride	5.90	mg/L	Low
Nitrate + Nitrite (N)	< 0.03	mg/L	Satisfactory
<u>Boron (B)</u>	<u>1110</u>	ug/L	
Aluminum (Al)	< 50	ug/L	
Beryllium (Be)	< 5	ug/L	
Chromium (Cr)	< 5	ug/L	
Nickel (Ni)	< 5	ug/L	
Copper (Cu)	7.79	ug/L	
Zinc (Zn)	5.43	ug/L	
Arsenic (As)	< 5	ug/L	
Selenium (Se)	< 5	ug/L	
Silver (Ag)	< 5	ug/L	
Cadmium (Cd)	< 5	ug/L	

2.24 2/5/2015 HB1259

NE1/4 Sec 34 164-78

This land used to belong to a great uncle. There was a stripper well here for several years. They continually struggled between the mess, not getting any oil income, and finally a poor reclamation. The state and the oil company were both contracted on several occasions. Now, one of the new EOG wells is a few hundred feet away, so we start over again!

Matt Brandjord

2.25 2/5/2015 HB 1259

Landowner/Surface Owner Complaint and Issue Form

The information is being gathered by the NWFA for Representative Oustad. He will be presenting it to the NDR on February 23rd. Fill out as many items as you can. Fill out a form for each location (up to 5 per individual).

Well or Tank Battery Site Location: NW 20 - 101 - 79
oil field quarter, section, township, range

Operator, well name, well file:
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well:

Marginal well (Dripper Well)* that is holding a lease

Inadequate or no reclamation of site

Crude oil and/or salt water spills

Dust issues

Water and contaminates runoff from site

Site maintenance

- access roads and site not mowed
- weeds not controlled and going to seed
- weed control chemicals leaching off site
- other

Trespass off location

- snow moved off location causing associated problems
- maintenance crews going off location causing damages

Inadequate diking

Unusable equipment stored on or off site

Safety violations (affecting human or livestock or wildlife)

Other violations of ND Industrial Commission rules and statutes (specify)

Approximately how long has this issue/issues been occurring?

Have you been able to bring this issue/issues to the attention of the Oil and Gas Division?

If so, was assistance given or resolution achieved?

Permitting issues, location issues, or field/unit well spacing issues (briefly describe)

This well for 15 years never allowed redacted

Write any other comments you may have here:
(use back if needed)

Name: Wanda Henry
Address: 9334 CR 27B
Newburg, ND 58762

Mail completed form to: (As soon as possible, by February 20)
Daryl Peterson
2610 100th St NW
Antler, ND 58711

*marginal wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

North Dakota Department of Health
Chemistry Division

Page: 3

Original Report Date: 11/19/10

Report Date: 11/20/10

Log Number: 10-C678 cont'd

10-C678

Chemical Analysis of Sample

Analyte	Result	Units	Evaluation
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Simazine	< 0.5	ug/L	
Ethalfuralin	< 0.025	ug/L	
Atrazine	< 0.25	ug/L	
Pendimethalin	< 0.025	ug/L	
Metribuzine	< 0.05	ug/L	
Metolachlor	< 0.2	ug/L	
2,4-D	< 0.1	ug/L	
Dicamba	< 0.05	ug/L	
Dinoseb	< 0.1	ug/L	
MCPA	< 12	ug/L	
Picloram	< 0.05	ug/L	
2,4,5-T	< 0.05	ug/L	
2,4,5-TP	< 0.05	ug/L	
Pentachlorophenol	< 0.02	ug/L	
Acifluorfen	< 0.1	ug/L	
,5 Dichlorobenzoic Acid	< 0.125	ug/L	
Bromoxynil	< 0.025	ug/L	
Chlorothalonil	< 0.05	ug/L	
Propiconazole	< 2.5	ug/L	
Dichlorprop	< 0.15	ug/L	
Bentazon	< 0.25	ug/L	
Benzene	< 0.5	ug/L	
Vinyl Chloride	< 0.5	ug/L	
Carbon Tetrachloride	< 0.5	ug/L	
1,2-Dichloroethane	1.06	ug/L	
Trichloroethylene	< 0.5	ug/L	
1,1-Dichloroethylene	< 0.5	ug/L	
1,1,1-Trichloroethane	< 0.5	ug/L	
p-Dichlorobenzene	< 0.5	ug/L	
Acetone	< 20	ug/L	
2-Butanone (MEK)	< 20	ug/L	
2-Hexanone	< 20	ug/L	
4-Methyl-2-pentanone	< 20	ug/L	
Chloroform	< 0.5	ug/L	
Bromodichloromethane	< 0.5	ug/L	
Chlorodibromomethane	< 0.5	ug/L	
Bromoform	< 0.5	ug/L	
trans1,2-Dichloroethylene	< 0.5	ug/L	
Chlorobenzene	< 0.5	ug/L	
m-Dichlorobenzene	< 0.5	ug/L	
Dichloromethane	< 0.5	ug/L	
is-1,2-Dichloroethylene	< 0.5	ug/L	
o-Dichlorobenzene	< 0.5	ug/L	
Dibromomethane	< 0.5	ug/L	

As a resident of Mountrail County, I have some serious concerns about the permitting of oil wells. I realize the Industrial Commission's stated mission is to avoid waste of the natural resources of oil and gas, but I do not think when the legislators wrote the legislation, they meant "Get every barrel possible, as soon as possible, without any regard for any other natural resources or the people living there." One example is in Sec. 22, T151 R92, where a site has been built in a major water drainage area, draining into Lake Sakakawea. From what I have heard, it was located there to be sure to get all of that section.

Secondly, each site causes loss of agricultural land; I remember when Mountrail County took pride in being in the top counties for several crops. For this reason, and the disruption for the surface owner, and others living nearby, I think there should be an effort to keep sites to a minimum. One way to do this would be to have the largest spacing unit possible.

Finally, I firmly believe there is a frantic pace of permitting that is not allowing the best work to be done in preparing, drilling, or monitoring wells, and also is causing problems with assessing damage and effectiveness of cleanup when there is a spill or other incident.

Dorothy Ventsch
New Town ND

2.28 2/5/2015 HB 1259

Lunker Federal—NE 33-152-91

--A locked gate was cut on posted land to move scrapers across a wet field to get to a site because an approach had not been built prior to the well site work.

--The site location changed the natural drainage of the land which now floods a portion of the field outside the site.

--2010's spring rains flooded the site and the dike was opened by machine which sent the water down a seeded field creating a washout and stunting the crop. The contaminated drained water left a residue in the washout.

--To place a net over the pit was written into the surface use agreement, but it was never installed.

--A badger was dead on the site, killed by what? The chemicals in the pools of standing water on the site or by an oil field worker? Neither is acceptable.

Cannonball Federal NW 27-152-91

--Surface use agreement included a net over the pit. It was installed after many requests and delays.

Sauger 2 NE 22-152-91

--Too much destruction of a wildlife area, built in a major drainage area to Lake Sakakawea. This should have stayed in the SE 22-15-91, as was requested by the oil company. It would have been a double well pad, saving money and land.

Payara 2 NE 21-152-91

--Another spill that got by without informing the public.

Neptune NW 15-151-92

--A duck, covered in oil, unable to fly, was seen here. All pits should be required to have nets or else be a closed loop system.

Jericho NE 5-151-92

--This site was not built as indicated on the plat. The soil pile was placed next to the road which created snow drifts and blocking of the road. It required extra equipment and more expense for the township.

Dakota-3 Olson 1 NW 1-150-92

--A prairie trail was made into a road with no approval from the township board, in violation of the Century Code. It has taken 11 months to get a completed road petition and the township has legal fees that shouldn't have been necessary, if the oil company respected local laws.

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The above are what I have witnessed or of which I've been a part. There is hearsay of trucks with oil and chemicals trying to dump in the saltwater disposal wells and if they are refused, they dump in ditches. That also goes for sewage from man camps. There are also reports of sites with no dikes close to the lake.

Some of the above have been corrected, but it is my feeling that they never should have happened in the first place. The permitting is out of control and as a result, there is careless, shoddy work being done, as everyone is rushed to get to the next job.

Sometimes there is more than one solution to a problem. Getting the Legislature to give you more money isn't necessarily the solution, maybe the solution is to slow down and limit the permitting. Or maybe the Legislature needs to take away the power it has given you by creating a new commission with state-wide representation with other interests since this appears to be affecting the environment, people's lives and safety, and the future of recreation, agriculture, and tourism, not just the recovery of oil and gas at any cost. The thing for which you take credit is also the cause of the problems. Take the credit, take the blame.

Shelly Ventsch
New Town ND

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Landowner/Surface Owner Complaint and Issue Form

This information is being gathered by the NWLA for Representative Onstad. He will be presenting it to the NDIC on February 22nd. Fill out as many items as you can. Fill out a form for each location. (up to 5 per individual)

Well or Tank Battery Site Location: _____
oil field quarter, section, township, range

Operator, well name, well file: _____
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well: _____

Marginal well (Dripper Well)* that is holding a lease _____

Inadequate or no reclamation of site _____

Crude oil and/or salt water spills _____

Dust issues _____

Water and contaminates runoff from site _____

Site maintenance _____

access roads and site not mowed _____

weeds not controlled and going to seed _____

weed control chemicals leaching off site _____

other _____

Trespass off location _____

snow moved off location causing associated problems _____

maintenance crews going off location causing damages _____

Inadequate diking _____

Unusable equipment stored on or off site _____

Safety violations (affecting human or livestock or wildlife) _____

Other violations of ND Industrial Commission rules and statues _____

(specify) _____

Approximately how long has this issue/issues been occurring? _____

Have you been able to bring this issue/issues to the attention of _____

the Oil and Gas Division? _____

If so, was assistance given or resolution achieved? _____

Permitting issues, location issues, or field/unit well spacing issues (briefly describe)

Write any other comments you may have here:
(use back if needed)

Name: Matt Brandjord

Address: 1247 Lake Road
Bottineau ND 58318

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson
2610 100th St NW
Antler, ND 58711
see attached

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

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Landowner/Surface Owner Complaint and Issue Form

This information is being gathered by the NWLA for Representative Onstad. He will be presenting it to the NDIC on February 22nd. Fill out as many items as you can. Fill out a form for each location. (up to 5 per individual)

Well or Tank Battery Site Location: SE 1/4 30 163-28

Operator, well name, well file: G-3 Nordmark 3
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well:

Marginal well (Dripper Well)* that is holding a lease

Inadequate or no reclamation of site

Crude oil and/or salt water spills

Dust issues

Water and contaminates runoff from site

Site maintenance

access roads and site not mowed

weeds not controlled and going to seed

weed control chemicals leaching off site

other

Trespass off location

snow moved off location causing associated problems

maintenance crews going off location causing damages

Inadequate diking

Unusable equipment stored on or off site

Safety violations (affecting human or livestock or wildlife)

Other violations of ND Industrial Commission rules and statues

(specify)

Approximately how long has this issue/issues been occurring?

Have you been able to bring this issue/issues to the attention of

the Oil and Gas Division?

If so, was assistance given or resolution achieved?

Permitting issues, location issues, or field/unit well spacing issues (briefly describe)

Write any other comments you may have here:

(use back if needed)

Name: Daryl Peterson

Address: 10351 5th Ave NW Souris ND

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson

2610 100th St NW

Antler, ND 58711

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

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Landowner/Surface Owner Complaint and Issue Form

This information is being gathered by the NWLA for Representative Onstad. He will be presenting it to the NDIC on February 22nd. Fill out as many items as you can. Fill out a form for each location. (up to 5 per individual)

Well or Tank Battery Site Location: NW 1/4 29 163-78
oil field quarter, section, township, range

Operator, well name, well file: _____
(if known)

Violations or Issues you have: (select and check mark as many that you have)

Abandoned and not plugged or temporary abandoned well: _____

Marginal well (Dripper Well)* that is holding a lease _____

Inadequate or no reclamation of site _____

Crude oil and/or salt water spills _____

Dust issues _____

Water and contaminates runoff from site _____

Site maintenance _____

access roads and site not mowed _____

weeds not controlled and going to seed _____

weed control chemicals leaching off site _____

other _____

Trespass off location _____

snow moved off location causing associated problems

maintenance crews going off location causing damages

Inadequate diking _____

Unusable equipment stored on or off site _____

Safety violations (affecting human or livestock or wildlife) _____

Other violations of ND Industrial Commission rules and statues _____

(specify) _____

Approximately how long has this issue/issues been occurring? _____

Have you been able to bring this issue/issues to the attention of _____

the Oil and Gas Division? _____

If so, was assistance given or resolution achieved? _____

Permitting issues, location issues, or field/unit well spacing issues (briefly describe) _____

Write any other comments you may have here:

(use back if needed)

Name: Daryl Peterson

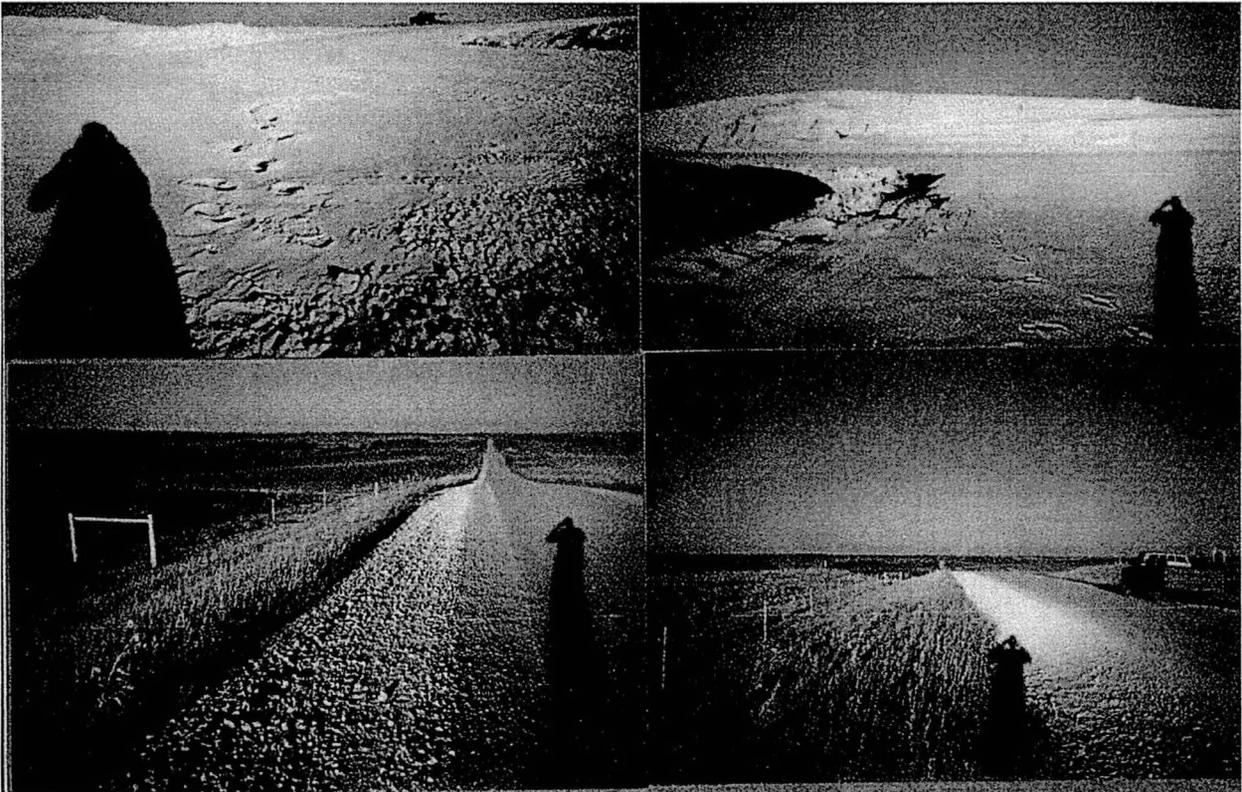
Address: 10357 5th Ave NW Souris ND 58783

Mail completed form to: (As soon as possible, by February 20)

Daryl Peterson
2610 100th St NW
Antler, ND 58711

*non-economic wells that make less than 1 barrel per day only being pumped to hold lease and avoid plugging costs

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2.3^{c4} HB 1259 2/5/2015

Above pictures show the fly Ash dust on the ground: this ended up with resulting as the cause of death to livestock:



Copies of letter during this problem.

Thanks Ron,

Once I saw the faxed copy I found the email.
Here are scanned copies of the photos you gave me.

We have a letter going out today to Hunt Oil.
Give me a call if you have any questions or issues.

As we discussed, writing down your recollections of this incident would be a help.

Thanks so much for your help and your input (and patience).
We are so sorry this happened and we are taking this very seriously.

Sincerely

2.3.5. 2/5/2015 HB 1259

Steve Tillotson
Ass't Director,
Manager of Solid Waste Program
Division of Waste Management,
N.D. Dept. of Health
918 E. Divide Av. 3rd Floor
Bismarck, ND 58501-1947
701-328-5163
stillots@nd.gov
Website: <http://www.ndhealth.gov/wm/>

the state health dept as Helms to make guide lines on how ash is handled and he didnt want to make any new rules.

----- Original Message -----

From: [Daryl Dukart](mailto:Daryl.Dukart@nd.gov)
To: [Cheryl Borth](mailto:Cheryl.Borth@nd.gov)
Sent: Friday, February 11, 2011 6:48 AM
Subject: Re: NDIC NOTE

I will do that for he asked me about this the other day and I told him I knew of nothing new at the time. was their every a problem directly with NDIC on this issue? time for responses, their involvement and etc?

----- Original Message -----

From: [Cheryl Borth](mailto:Cheryl.Borth@nd.gov)
To: [Daryl Dukart](mailto:Daryl.Dukart@nd.gov)
Sent: Thursday, February 10, 2011 6:37 AM
Subject: Re: NDIC NOTE

daryl , if you want to forward that material I gave to you on that ash contamination on my land to Kenton. he can us it if it helps his case. ron

Sent: Wednesday, October 20, 2010 1:48 PM
Subject: Re: Dunn County - Werner Hunt Oil/Ron Borth property

Matt, Stephen and Ron, Here is our review of the lab analysis with our findings.

A hard copy will be in the mail. I will be out of the office on Thursday and Friday.

Thanks
Steve T.

Re: Dunn County – Werner Hunt Oil/Ron Borth property

October 20, 2010

Matt Robertson
Hunt Oil Company
1408 20th Ave. SW, Suite 6
Minot, ND 58701

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Re: Ash Impacts Section 12 -13, T145, R93

Dear Mr. Robertson,

Our Department has reviewed the sampling and laboratory results for the soil and water samples from Stephen Smith of Bison Engineering regarding the Dunn 1-12-1H well site (Sec. 12) and the adjacent property owned by Ron Borth in Section 13, T. 145, R93. We have received e-mailed correspondence from Dr. Susan Keller, the State Veterinarian and Dr. Michelle Mostrom, Veterinary Toxicologist with the North Dakota State University reviewing the results and making recommendations on management of livestock.

While most literature we deal with addresses arsenic exposure to humans via air, water and ingestion, it would appear that pregnant livestock and their off-spring are particularly susceptible to arsenic exposure in their environment as they live in and eat food directly from the local ecosystem. Dr. Mostrom indicates that grazing cattle may consume up to 17% soil in their diet on a dry weight basis. I have routed a draft of this letter to Drs. Keller and Mostrom for their concurrence.

A summary of their comments and the Department's comments along with our request for further action is included in this letter.

- **Water Analysis:** Two locations were sampled in the September 15-16 sampling event. The Department notes the Reportable Limit (RL) for arsenic in the Energy Lab water analysis was .005 mg/l, well below the drinking water standard of .01 mg/l so the results accurately reflect apparent arsenic levels in the water.
1. For water from Mr. Borth's **stock pond** located in the southeast (downwind) part of the impact area, the laboratory data from both the Energy Lab analysis and the September 3 analysis by MVTL (apparently obtained by Russ Gohl, Strata Inc.) shows the water appears safe for consumption at this time. One cannot assume it was not impacted by ash or runoff; rather that the water appears safe for use based on the sample results. The large volume of water and inflow from groundwater and/or surface water from areas not impacted may have diluted direct input of ash deposition and/or ash runoff from the ash impact area.

The Department agrees with Dr. Keller and Dr. Mostrom that follow-up sampling, analysis and review by all three of our agencies should be conducted in the spring before livestock are placed back on the field.

The Department also requests a copy of the actual lab reports from the September 3 analysis.

2. The **ephemeral pond**, located at site #18 receives runoff from parts of Mr. Borth's field and the adjacent road, both of which were dusted with visible ash. Water in the pond would most likely be directly attributable to recent rains and would appear to be most likely to reflect the nature of runoff from the impact area. The concentration of arsenic was .023 mg/l (sample #STS 1015-18) for this small water body, which is more than twice the Drinking Water Maximum Contaminant Level (MCL) of .01 mg/l. It would appear the windblown ash resulted in contaminated stormwater runoff above the drinking water

maximum contaminant level. This level of arsenic in stormwater appears consistent with the Department's previous assessment regarding Lignite ash on soils (1).

We recommend this shallow ephemeral pond be cleaned; any water and shallow soils could be pumped and excavated, solidified and disposed in an approved special waste or industrial waste landfill.

- **Soil Analysis:** Twenty soil samples were obtained at various locations; however, not all samples were analyzed. The Department agreed with the general sampling locations and we agree with Mr. Smith's summation that "Since the ash probably had a very high pH, the soil pH of some samples seems elevated compared to background and seems to be higher where we expected higher deposits of ash. Thus, some correlation between ash deposit amounts and soil pH seems present."

The Department notes the Reportable Limit (RL) for arsenic in the Energy Lab soil analysis was 5 mg/kg, well above (more than an order of magnitude) the Residential Soil Screening Level of .39 mg/l and above the Industrial Soil level of 1.6 mg./kg. One cannot conclude that the levels of arsenic are below residential or industrial levels or anything about the relative levels of arsenic being similar to background samples since the detection levels were too high. Arsenic levels in other soil samples may be substantially above the residential soil levels. The laboratory detection levels should have been substantially lower. Since the most likely pathway for livestock exposure to the ash is via ingestion, even the Residential Soil Screening Levels may not adequately represent the risk to environmental receptors, including livestock living and eating vegetation (and ingesting soil) at the site. For future analysis, the RL should be substantially lower.

The conclusions that can be made at this time include:

3. The soils/sediment samples taken from sites #4 and #5 (samples STS 1015-04 and STS 1015-05) northeast of the well pad were from an area that contained ash that was apparently washed off the soil stockpile and the well pad. They detected elevated levels of arsenic of 10 mg/kg and 6 mg/kg respectively.

The Department believes, at minimum the soils northeast of the well pad should be remediated, the contaminated soil removed and disposed at an approved special waste or industrial waste landfill. Any mixing or abandonment of this fly ash would be considered disposal. The higher level of arsenic in the nearby ephemeral pond demonstrates that arsenic from fly ash dust may affect surface water. This area is adjacent to pasture land that may also be affected.

4. For the soil samples on Mr. Borth's property, south of the road, really little can be concluded about the levels of arsenic except that they appear less than 5 mg/kg. One cannot conclude that Mr. Borth's property was not impaired by the ash, indeed the water sample from the ephemeral pond and the higher soil pH strongly suggests the field was affected. There may be levels of arsenic above the residential and industrial soil levels. The Department concurs with Dr. Mostrom (and Dr. Keller) that Mr. Borth (and his tenant):

"Prevent the pregnant cows from grazing the fly ash contaminated area and avoid both ingestion and inhalation of fly ash from the area. The fly ash was not

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incorporated into soil and cattle can consume up to 17% of their diet (dry matter basis) from soil. Most of the data on livestock exposure to heavy metals does not specify pregnant or lactating animals, and I am very conservative in risking adverse events with pregnant animals and exposure to toxicants, particularly through the placenta to fetuses with very rapidly dividing cells and developing organs.

I did recommend to Mr Borth that he evaluate the fly ash contaminated pasture next spring after fall rains and winter snow and look at the soil appearance and pasture growth. Mr. Borth said that this was a tame grass pasture with a lot of prairie grasses. If the ash is very evident in the soil or the grasses do not grow well, I recommended that he till the pasture up and incorporate the fly ash into deeper zones in the soil and resow grass."

The Department spoke with Mr. Borth and he may decide that evaluation of the plants and soils in the spring may shed more light on the impact of the ash. Possibly the weather and precipitation may leach more of the ash into the soil. Alternatively, it may be necessary to follow the suggestion that the site be tilled and replanted in the spring. Certainly this would affect use of the field for two or three seasons until the grass community gets reestablished.

After consultation with the North Dakota State Veterinarians Office and North Dakota State University, we conclude:

- A. The Department requests a copy of the actual lab reports from the September 3, 2010 analysis of Mr. Borth's pond completed by MVTL.
- B. The water in Mr. Borth's stock pond in Section 13 appears safe for livestock to use; however, if the water is to be used, the cattle should be fenced to keep them from grazing on the adjacent fields that were dusted with ash.
- C. The Department agrees with Dr. Keller and Dr. Mostrom that follow-up sampling and analysis of water in the stock pond be conducted in the spring by the involved parties. Review of water analysis should be completed by all three of our agencies before livestock are considered for placement back on the field in the spring.
- D. The shallow ephemeral pond, located at site #18 should be cleaned; any water and shallow soils could be pumped and excavated, solidified and disposed in an approved special waste or industrial waste landfill.
- E. The soils and ash that are clearly elevated for arsenic and other parameters northeast of the well pad should be remediated, the contaminated soil removed and disposed at an approved special waste or industrial waste landfill. Any mixing or abandonment of this fly ash on site would be considered disposal.
- F. In the spring of 2011, before livestock are to be considered for introduction to the fields, additional analysis of the soil and vegetation on Mr. Borth's property should be completed.
- G. Additional sampling of the soil stockpile area northeast of the well pad and the ephemeral pond should be completed after soil, ash and water is removed from these areas. The Department requests to be notified of the date of any cleanup and sampling efforts.
- H. Based on the vegetation and soil sampling of Mr. Borth's field and the other areas and pertinent water sampling, additional cleanup and protections for livestock may be required.

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- I. Any analysis of the soils should be from a lab approved by the Department and detection limits for arsenic and other parameters should be substantially lower than residential soil screening levels (soils) and drinking water maximum concentration limits (for water).
- J. In addition to remediation of soils and water that are obviously affected by fly ash, the fields may need to be tilled and replanted to adapted tame and native grasses.
- K. Additional action may be needed based on additional information.

The Department recognizes the prompt action to investigate the site. Please review this response and provide a workplan to our Department regarding the cleanup/remediation, fencing and additional analysis and potential remediation discussed above. Your prompt action to address the items in this letter along with your timely written response is necessary for our further evaluation of this incident.

Nothing in this letter is intended to be a waiver of the Department's right to bring enforcement action relating to this incident. The Department reserves the right to bring any enforcement action it deems appropriate.

Should you have any questions or issues, please feel free to contact me.

Sincerely

Steve Tillotson
Ass't Director,
Manager of Solid Waste Program
Division of Waste Management,
N.D. Dept. of Health
918 E. Divide Av. 3rd Floor
Bismarck, ND 58501-1947

References:

1. Dr. Mostrom, NDSU and Dr. Keller, ND State Veterinarian, email correspondence, October, 2010.
2. Division of Waste Management, North Dakota Department of Health "Review of "Final Report for Demonstration of Coal Ash for Feedlot Surfaces," May 13, 2003."
3. Division of Waste Management, North Dakota Department of Health "Review of "Final Report for Demonstration of Coal Ash for Feedlot Surfaces, Attachment 1" June 25, 2003.
4. U.S. Environmental Protection Agency, Supplemental Guidance for Developing Soil Screening Levels for Superfund Sites" December, 2002.

cc. Mr. Ron Borth, Landowner
Stephen T. Smith, P.E. , 7080 Landmark Place, Helena, MT 59601
Dr. Susan Keller, ND State Veterinarian, ND Dept of Agriculture
Dr. Michelle Mostrom, North Dakota State University
Terry O'Clair, Div. of Air Quality
Dennis Fewless, Div. of Water Quality, ND Dept of Health
Lynn Helms, ND Oil and Gas Division

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David Twist, Dunn County Extension Office, Box 420, Killdeer, ND 58640

Steve Tillotson
Ass't Director,
Manager of Solid Waste Program
Division of Waste Management,
N.D. Dept. of Health
918 E. Divide Av. 3rd Floor
Bismarck, ND 58501-1947
701-328-5163
stillots@nd.gov
Website: <http://www.ndhealth.gov/wm/>

Submitted by Jay Sandstrom

In 2007, a land man for an oil company holding mineral leases for my area contacted me to make arrangements for the improvement of a trail running along some of my property that would be used to access adjacent land. He presented an agreement for my signature and a check draft for approximately \$2000 dollars as a one time payment for as long as they or their assignees were producing oil or gas. Since a potential "forever" seemed to be a long time for such an insignificant payment and the fact that I had absolutely no experience, I did not sign the agreement until such time that I could research the issue further. As it turned out, the company put their exploration of the area on temporary hold due to issues relating to jurisdiction of Tribal interests so nothing happened for a few months. Later, in 2008 I believe, a different land man for the same company approached me and presented a similar agreement along with verbal description of additional projects directly impacting my property in several locations. My brother and I met with and discussed on several occasions the details of the projects that were planned as well as the imbursements they planned for the taking of land they needed for the sites and the service roads. The amounts they offered and other considerations pertaining to locations of the sites and needed power lines were not met with much cooperation. After several visits, the land man quite abruptly stated that the amounts they offered had been supposedly acceptable for several years and deemed adequate so no further consideration would be given and as he stated, "We will start moving dirt on Friday!" They did just that!

Two sites were placed approximately half way in each quarter and offset about 500 feet from the section lines. My earlier inquiry as to why the sites couldn't be placed in the corner of the quarters went unconsidered apparently due to geological requirements. It seemed strange to me that since they are directional drilling in the first place, they couldn't accommodate the land owner a little better by at least moving the sites to the corner where it wouldn't create such a huge loss of property and loss of production those small parcels and corners do. More importantly, this land had been included in studies to determine the feasibility of irrigation and was being seriously considered at the time of the development. The location of these wells, new service roads that divide the property and the power line will result in some very expensive changes of the pivot locations for not only the two quarters directly involved but for the entire 600 acres that my brother and I own and had planned to irrigate. A significant loss of irrigable land due to this type of development will result in an economic loss that jeopardizes the chances for adequate financial recovery for the whole acreage concerned. Negotiations with the mineral developers continue to this day and have cost us a considerable amount of money. The process we have to work with is apparently designed to do just that. The legal costs it in itself will deter landowners from standing up against government and mineral developers and both now that and use it in the negotiation process. This is very disappointing to see and disgusting to have to continue to watch get worse.

One of the well sites was placed in such a location that the well head itself is located exactly in the bottom of a drainage. There was no effort or insight for that matter on the part of the oil company to design a diversion for water as it makes its way to Lake Sakakawea. They have created a massive wetland that did not exist prior to development

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and to date, have done nothing to correct the problem despite numerous complaints and ill promises. The placement of this particular site is a great risk for environmental damage as the terrain is steep enough to make water move very rapidly. Being that the site is located only about a mile away from dumping into an extreme drainage of Lake Sakakawea, a spill will be out of control in less than 20 minutes if runoff during inclement weather is present. No amount of concern was given on the part of the mineral developer pertaining to these conditions.

Placement of this particular well site and now additional wells adjacent to it has created considerable loss and stands to escalate problems into the future. I have provided a few pictures pertaining to the concerns stated above as well as pictures of other considerations. See below:

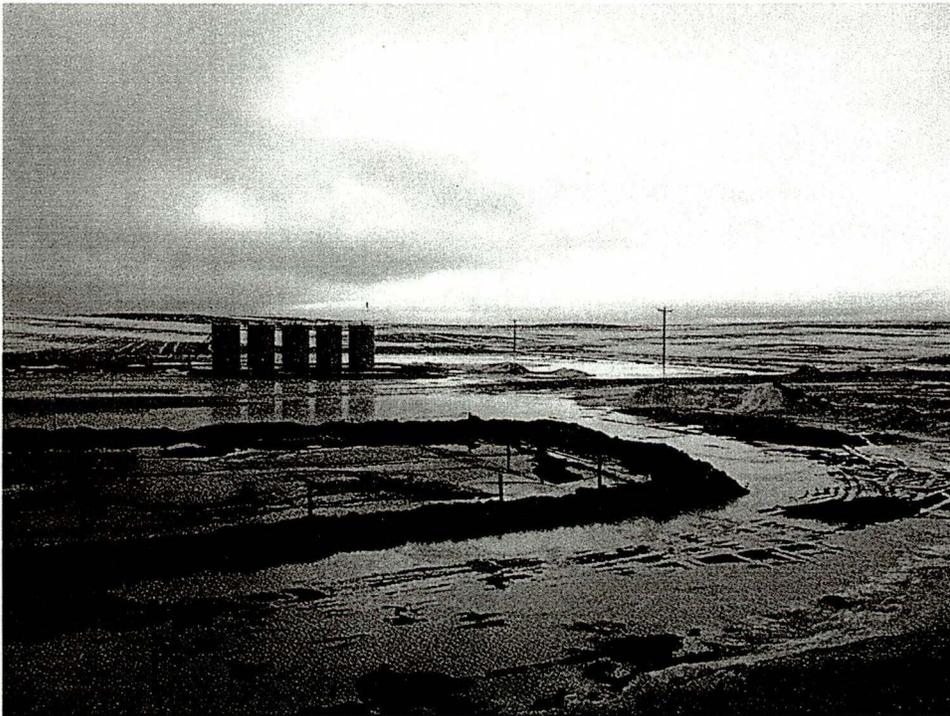


Figure 1 Taken spring of 2009. Wellhead is located on right side of picture just out of view. Reserve pit in foreground had run over numerous times. You are looking up the drainage to the southeast. Lake Sakakawea is behind camera about two miles.

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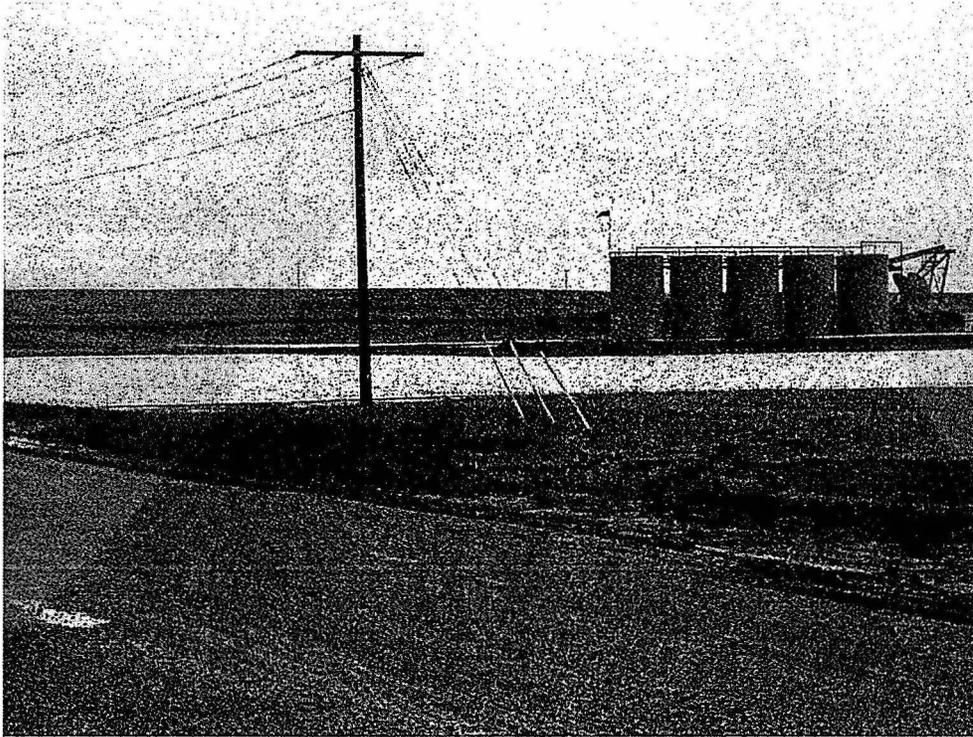


Figure 5 this picture was taken after an early spring cloud burst. It is of the same well site as previous pictures.

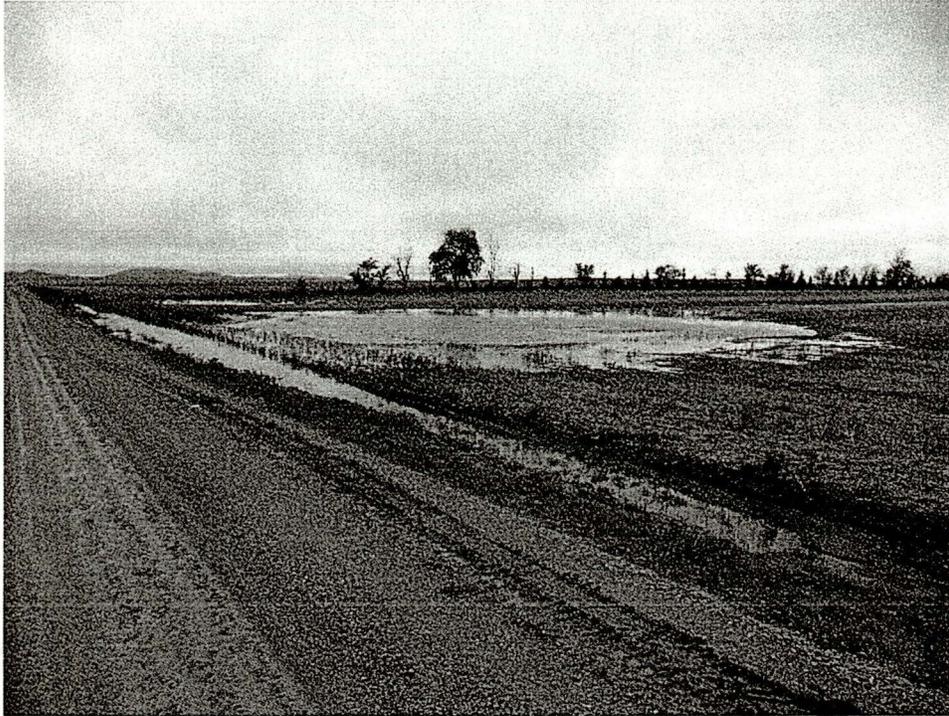


Figure 6 this is another newly created wetland due to oil field construction without agreement.

The next two pictures concern a large problem that is not given consideration in the development of oil. Dust: Its effects are huge. Snow and the melting of it caused from dust shows the effect of each. The effects are devastating to growing crops but to date not documented. Hopefully with the aid of crop yield monitors and study, it can be documented in a way to satisfy the need for "scientific documentation!"

Landowners need consideration and be treated with respect. We are taking a huge hit from this so-called boom. Oil tax money has got to find a better way of getting back to those realizing the negative impact. Statute needs to be amended to insure better negotiation. Right now, the NDCC favors mineral developers simply because of the cost of failed negotiations. Intimidation on the part of mineral developers who use the cost and win loss records is an unfair tactic that proves to be very successful for them. Documentation of damages is difficult also because landowners don't have acceptable proof of the damage because we are so new into this type of thing. We need a source from which to extract a scientific base that shows damage and sorry to say, I don't see it coming from industry. In this case and especially since our tax burden is so high, I don't think it is wrong to demand that our state government provide funding into studies that will determine various kinds of damage resulting from oil exploration.

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Figure 7 notice the darkened area about mid picture that appears to have less snow! this was taken in February 2010. It is zoomed in from about three miles away. For reference, notice the drilling rig on left side of picture.



Figure 8 here is a picture taken after driving to the road leading toward the drilling rig you saw on the previous picture. The snow that remains is approximately 8 to 10 inches deep. Dust and the effects of the sun has had quite an effect. Green things don't grow very well when covered with dust and preliminary reports from producers using crop yield monitors are seeing proportional effects of

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crop production damage as we see with the effects of dust on snow pack. This is of great concern as to damage compensation.

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Figure 3 Spring of 2010. Roads were so bad that travel wasn't attempted to get pictures of early snow melt. As will be seen in subsequent pictures, this newly created wetland remained through the year and no agricultural production was realized.



Figure 4 View is in direction (west) of above picture. Well site and service road on the left side of picture has resulted in a new wetland and large loss of agricultural production.

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Figure 2 this picture is an extension of the same site as pictured above. Note the dam that has created water to be backed up. Water finally broke through and in so doing caused considerable erosion as it moved to Sakakawea.

5/02/12

6h.2

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HB 1259 2.50

2/5/2015



HWB 1259 2.51
SPR15/17



HB 1259 2/5/2015 2:52



2.53 25/2/12 66.2
BS24 94 S102/E2



2:54 HB 1759 21517015

02/12/2011 12:44



2.65 HB 1259 2/5/2011

02/12/2011 12:43

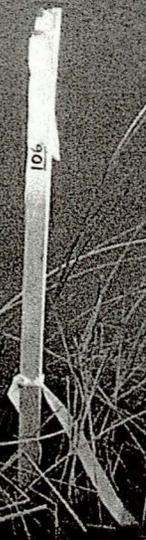


Williams County, 205 East Broadway (701) 577-4500
review



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2/5/12

2. 51 21/12/015
HB 1259



2:58 2/5/2015

HB 1759



HB 1259 2/15/2015 2.69

NDIC - Oil & Gas Division

Street Address: 1016 East Calgary Avenue Mailing Address: 600 East Boulevard Bismarck, ND 58505

Office: (701)328-8046

Fax: (701) 328-8022

Website: <http://www.dmr.nd.gov/oilgas/>

-----Original Message-----

From: gpete@srt.com [mailto:gpete@srt.com]

Sent: Monday, February 28, 2011 6:16 PM

To: McCusker, David J.

Subject: temporary abandoned wells

Mr. Dave McCusker,

I have several questions regarding wells which have temporary abandoned status. I understand this status has to be renewed annually and a \$100 fee applies. On several wells that I am aware of, the operator did not apply annually, and in several cases the renewal was not done for 3 years at a time. Does the well lapse back to abandoned status when this happens? Also, is the operator required to pay the \$100 fee for the years that the renewal was not done? I would appreciate your prompt reply.

Thank you for your time

Galen Peterson

Maxbass, ND

Email: gpete@srt.com

Phone: 701-268-3329

Dave McCusker

NDIC - Oil & Gas Division

Street Address: 1016 East Calgary Avenue Mailing Address: 600 East Boulevard Bismarck, ND 58505

Phone: (701)328-8046

Fax: (701) 328-8022

<https://www.dmr.nd.gov/oilgas/>

-----Original Message-----

From: gpete@srt.com [mailto:gpete@srt.com]

Sent: Monday, March 07, 2011 9:26 AM

To: McCusker, David J.; -Info-Attorney General; Onstad, Kenton B.; O'Connell, David P.; derrick@svlawpartners.com

Subject: RE: temporary abandoned wells

Mr. McCusker,

I ask that you answer the questions I presented on one well, Helen Sidener 43-1, well file 10831.

In regard to this well, I represent the owners of the surface and the owners of the minerals. And, I have an interest since I farm the land on which the well site is located. Also, I have an interest as a concerned citizen of North Dakota in that all regulations regarding temporary abandoned wells are being followed and proper fees are being collected. Again, I request a prompt reply.

Thank you,

Kenton Peterson

----- Original Message -----

From: David J. McCusker <dmccusker@nd.gov>

To: gpete@srt.com

Sent: Fri, 4 Mar 2011 15:13:02 -0600 (CST)

Subject: RE: temporary abandoned wells

Mr. Peterson,

Please identify the wells you refer to below. Also, please identify for each well:

Are you the surface owner?

Are you a lessee?

Are you a royalty owner?

Are you a mineral owner?

Are you a local, state, or federal official and if so what office or position do you hold?

Are you an interested party and if so what is the basis of your interest?

Dave McCusker

Onstad, Kenton B.

From: McCusker, David J.
Date: Tuesday, March 15, 2011 8:56 AM
To: gpete@srt.com; -Info-Attorney General; Onstad, Kenton B.; O'Connell, David P.; derrick@svlawpartners.com
Subject: RE: temporary abandoned wells

Mr. Peterson,

You indicated below that you have two questions regarding wells that have temporary abandoned (TA) status. Your questions are as follows: a) does a well's status lapse back to abandoned status when an operator does not apply annually for an extension to TA status b) is the operator required to pay the \$100 fee for the years that the renewal was not done.

You wanted me to address these questions specifically to the Helen Sidener #43-1 (10831) well.

During my review of these issues for the Helen Sidener #43-1 (10831) well, I noted the following:

1. The well was initially TA on December 14, 1992.
2. North Dakota Administrative Code (NDAC) 43-02-03-55 was amended on January 1, 2008 requiring a fee of one hundred dollars be submitted with each application to extend the TA status of any well. Prior to January 1, 2008, there was no fee.
3. The well was plugged and abandoned on March 5, 2009.
4. The location for the well was approved for release by the Oil and Gas Division field inspector on September 3, 2010.
5. The well was released from its bond on September 16, 2010.

For the Helen Sidener #43-1 (10831) well, from the time of the initial TA of December 14, 1992 to the time the well was plugged and abandoned on March 5, 2009, there were six letters notifying the operator of an expired TA status and seven TA extensions, the last being approved on December 13, 2006. The well operatorship transferred on January 14, 2008 from Ballantyne Oil to Sagebrush Resources, LLC. On October 30, 2008, proposed plugging procedures were approved. As noted above, the Helen Sidener #43-1 (10831) well was plugged on March 5, 2009.

The TA status on a well is initially approved for one year, with extensions generally approved for a period of one year, but extensions for longer periods are allowed by NDAC 43-02-03-55. When the TA status for a well expires it is the responsibility of the field inspector to notify the operator either verbally or by written correspondence, i.e. letter or email. Upon receipt of a request to extend the TA status, a file review is performed, the \$100.00 fee is processed and if the file review indicates the extension is appropriate, the expired TA status is renewed.

The \$100.00 fee is an administrative charge applied to cover the expense of processing a TA extension request. If a TA extension request is not filed, there is no expense incurred.

You indicated below that you have an interest as a concerned citizen of North Dakota that all regulations regarding TA wells are being followed and proper fees are being collected. I hope you realize that the current level of activity in the oil and gas industry has stretched Oil and Gas Division resources to the limit. Responding to a request like this for a well that has been plugged, abandoned, released from its bond may and in compliance may not be the most efficient use of the State's resources at such a time.

If you have questions, please contact me.

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> (uneconomic). Was abandoned for 17 years prior to February 2014.

> Should have been plugged. Well file shows impotent regulators.

>

> Great American Royalties

> Stead 1 #10362 AB. not pumped for 27 years. Been abandoned
> temporary Abandoned, no good reason. Owner asked to plug in 2012. TA

> abused and denied. Needs to have audit because of this kind of behavior.

>

> Eagle Operating

> 1. Peterson 42-43 AB #9613. Not pumped for 7 years.

>

>

> ---

> This email is free from viruses and malware because avast! Antivirus protection is active.

> <http://www.avast.com>

>

>

Chairman Klemin and Members of the Committee,

My name is Daryl Peterson. I am a semi-retired farmer from Bottineau County.

I respectfully ask you to support HB 1259. This bill will provide performance audits of the Department of Mineral Resources and Environmental division of the North Dakota Health Department. Far from a witch hunt, a transparent audit review of those agencies will reveal what is being done right, but may also show areas where improvement may be needed. The citizens of North Dakota have the right to be assured that our laws and regulations are being complied with in a responsible, accountable way. As the Health Department Environmental Chief Dave Glatt stated at a Dec. 2014 meeting in Antler, "What's our legacy? Are our kids going to say 'good job' or 'what the hell did we do'?"

I would like to point out that the Department of Mineral resources has admitted that they do not have a standard protocol for site inspections or spill investigations. This policy or lack of, has caused great harm to our precious land, water and air. I have a very large area of salt water contaminated land on my property that has not been properly reclaimed. If regulations would have been properly enforced, the damage would be far less and proper reclamation would have occurred.

Thank you for your consideration and I will be happy to provide more information as needed.



4.1
HB 1259
2/5/2015

Department of Mineral Resources

Lynn D. Helms – Director

North Dakota Industrial Commission
www.dmr.nd.gov

House Political Subdivisions Committee

HB 1259
February 5th, 2015

Good Morning Chairman Klemin, Vice Chairman Hatlestad and members of the House Political Subdivisions Committee. For the record, my name is Fred Anderson and I am a geologist currently serving as the GeoTech Support Staff Officer for the North Dakota Industrial Commission (NDIC) Department of Mineral Resources in Bismarck, which has had jurisdiction over the Oil and Gas Division and Geological Survey Division since 2005.

As a representative of the NDIC Oil and Gas Division I am here to provide testimony in opposition to this bill, as we feel that it does not provide any benefit because it duplicates a rigorous and comprehensive regulatory audit of the NDIC Oil and Gas Division that was completed at the direction of the N.D. State Auditor's office last year. This Division audit began in early February of 2014 and was not completed until seven months (i.e. 28 weeks) later in Mid-August. During this audit, Division regulatory and administrative staff expended more than 300 hours of staff time working with auditors on inquiries related to our Division's regulatory programs, which included:

- Oil and Gas Drilling Permits
- Drilling and Production Field Inspection
- Production Measurement
- Oil and Gas Production Reporting and Compliance
- Oil and Gas Division Complaint Response Process
- Abandoned Wells Program

At the conclusion of this extensive regulatory audit no formal findings were reported related to the regulatory performance of the Oil and Gas Division. In addition, the Division performance audit reported that:

- The Industrial Commission was in compliance with significant statutes, laws, rules, and regulations under which the agency was created and is functioning.
- Internal control was adequate and functioning effectively.
- There were no indications of a lack of efficiency in financial operations and management of the agency.
- No difficulties were encountered in performing the audit.

In closing, based on the results of this recently completed regulatory performance review we respectfully recommend that this bill be given a DO NOT PASS by this committee.

Thank you Mr. Chairman, Mr. Vice Chairman, and members of the committee for your time and attention this morning, I will be happy to answer any questions that I can.

STATE AUDITOR
ROBERT R. PETERSON

~~XXXXXXXXXX~~ 5.1
HB 1259
2/5/2015



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STATE OF NORTH DAKOTA
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STATE CAPITOL
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BISMARCK, ND 58505

**TESTIMONY BEFORE THE HOUSE
POLITICAL SUBDIVISIONS COMMITTEE**
Lawrence R. Klemin, Chairman

February 5, 2015

H.B. No. 1259

Testimony - Presented by:
Jason Wahl, Office of the State Auditor

The Office of the State Auditor welcomes the opportunity to conduct performance audits as requested through legislation. As indicated in the fiscal note we provided, we identify no fiscal impact to our office. This is due to the performance audit section of our office being funded with general funds.

The House Bill requires two performance audits – one related to the Oil and Gas Division of the Industrial Commission and one related to the Department of Health. Due to our current staffing levels for performance audits, we would need to conduct one of the audits first and start the second audit near the completion of the first.