

Introduced by

Representatives Drovdal, Kempenich, Nottestad, Pinkerton

1 A concurrent resolution directing the Legislative Council to study severed and abandoned
2 mineral rights and methods to reduce the discount for oil produced in North Dakota.

3 **WHEREAS**, a quarter section of land may have hundreds of individuals with severed
4 mineral rights in relation to that quarter; and

5 **WHEREAS**, the surface owner may not own any or all of the severed mineral rights, but
6 is burdened entirely with the development of those rights; and

7 **WHEREAS**, it is often extremely difficult to determine who owns severed mineral rights
8 in this state, whether the owners are governmental entities, residents, or nonresidents who may
9 or may not actively manage the mineral interests; and

10 **WHEREAS**, there are procedures for the termination of mineral interests in North
11 Dakota Century Code Chapter 38-18.1 that should be reviewed to determine if the statutory
12 provisions are meeting the needs of the people of this state and if issues and abuses have
13 arisen due to the increased oil and gas activity in this state; and

14 **WHEREAS**, North Dakota produces a very high grade of crude oil but the sales price of
15 that oil is substantially discounted for several reasons, including the cost of transporting the oil
16 to the point of sale, and an examination of the feasibility and desirability of state assistance or
17 incentives to reduce the discount should be undertaken;

18 **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES**
19 **OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

20 That the Legislative Council study severed and abandoned mineral rights and methods
21 to reduce the discount for oil produced in North Dakota; and

22 **BE IT FURTHER RESOLVED**, that the Legislative Council report its findings and
23 recommendations, together with any legislation required to implement the recommendations, to
24 the Sixty-second Legislative Assembly.