

February 6, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2374

Page 1, line 1, replace "a" with "two"

Page 1, line 1, replace "section" with "sections"

Page 1, line 2, after "reenact" insert "subdivision d of subsection 1 of section 38-08-04 and"

Page 1, replace lines 6 through 19 with:

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

- d. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with this chapter, and the rules and orders of the industrial commission, including and without limitation a bond covering the operation of an underground gathering pipeline carrying crude oil or produced water, except that if the commission requires a bond to be furnished, the person required to furnish the bond may elect to deposit under such terms and conditions as the industrial commission may prescribe a collateral bond, self-bond, cash, or any alternative form of security approved by the commission, or combination thereof, by which an operator assures faithful performance of all requirements of this chapter and the rules and orders of the industrial commission."

Page 2, line 3, replace "salt" with "produced"

Page 2, after line 4, insert:

**"SECTION 3.** A new section to chapter 38-08 of the North Dakota Century Code is created and enacted as follows:

**Controls, inspections, and engineering design on crude oil and produced water underground gathering pipelines.**

The operator of any underground gathering pipeline designed for or intended to transfer oil or produced water from a production facility for disposal, storage, or sale purposes and placed into service after April 1, 2016, shall file with the commission engineering design drawings of the underground gathering pipeline and a certificate of an independent inspection of the pipeline. The commission shall set standards for the certificate of inspections. The commission shall designate flow meters, overpressure protection devices, or alternative leak detection and monitoring technologies that an operator of the pipeline shall install on these pipelines.

**SECTION 4.** A new section to chapter 38-08 of the North Dakota Century Code is created and enacted as follows:

**Inspection of pipelines.**

Any person engaged in the construction, operation, or servicing of an underground gathering pipeline, including a produced water pipeline, shall allow the commission, the division of oil and gas of the industrial commission, and any representative of the same to enter any lease, property, and pipeline right of way operated or controlled by that person and to review any record and the operation of the pipeline. The person shall file any requested records with the commission. If the commissioner receives data under this section which is confidential under section 38-08-26, that data retains its confidential status."

Renumber accordingly