

**SENATE BILL NO. 2065**

Introduced by

Energy and Natural Resources Committee

(At the request of the Industrial Commission)

1 A BILL for an Act to amend and reenact subdivision b of subsection 1 of section 38-08-04 of the  
2 North Dakota Century Code, relating to the jurisdiction of the industrial commission to regulate  
3 the permitting and amalgamation of the underground storage of oil and gas.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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

7 b. To regulate:

8 (1) The drilling, producing, and plugging of wells, the restoration of drilling and  
9 production sites, and all other operations for the production of oil or gas.

10 (2) The shooting and chemical treatment of wells.

11 (3) The spacing of wells.

12 (4) Operations to increase ultimate recovery such as cycling of gas, the  
13 maintenance of pressure, and the introduction of gas, water, or other  
14 substances into producing formations.

15 (5) Disposal of saltwater and oilfield wastes.

16 (a) The commission shall give all affected counties written notice of  
17 hearings in such matters at least fifteen days before the hearing.

18 (b) The commission may consider, in addition to other authority granted  
19 under this section, safety of the location and road access to saltwater  
20 disposal wells, treating plants, and all associated facilities.

21 (6) The underground storage of oil or gas.

22 (a) Geologic storage is allowed if permitted by the commission. A permit  
23 may be transferred if the commission consents.

24 (b) Before issuing a permit, the commission shall find:

- 1 [1] That the storage operator has complied with all requirements set  
2 by the commission.
- 3 [2] That the storage facility is suitable and feasible for injection and  
4 storage.
- 5 [3] That the storage operator has made a good-faith effort to get the  
6 consent of all persons that own the storage reservoir's pore  
7 space.
- 8 [4] That the storage operator has obtained the consent of owners  
9 and lessees of at least fifty-five percent of the storage reservoir's  
10 pore space.
- 11 [5] Whether the storage facility contains commercially valuable  
12 minerals and, if the facility does, a permit may be issued only if  
13 the commission is satisfied that the interests of the mineral  
14 owners and mineral lessees will not be adversely affected or  
15 have been addressed in an arrangement entered by the mineral  
16 owners, mineral lessees, and storage operator.
- 17 [6] That the proposed storage facility will not adversely affect  
18 surface waters or formations containing freshwater.
- 19 [7] That the storage facility will not endanger human health or  
20 unduly endanger the environment.
- 21 [8] That the storage facility is in the public interest.
- 22 [9] That the horizontal and vertical boundaries of the storage  
23 reservoir are defined.
- 24 [10] That the storage operator will establish monitoring facilities and  
25 protocols to assess the location and migration of stored  
26 substances and to ensure compliance with all permit, statutory,  
27 and administrative requirements.
- 28 [11] That all pore space owners are or will be equitably compensated.