

Troy Coons  
Northwest Landowners Association  
Energy and Natural Resources  
Testimony for SB 2065  
March 4, 2021



Good morning Chairman Porter and members of the committee, thank you for taking my testimony into consideration today. My name is Troy Coons and I am the Chairman of the Northwest Landowners Association. Northwest Landowners Association represents over 560 farmers, ranchers, and property owners in North Dakota. Northwest Landowners Association is a nonprofit organization, and I am not a paid lobbyist.

The Northwest Landowners Association is not opposed to the goal that this bill is intended to accomplish, which is allowing for state regulation of underground storage of oil and gas. Although we appreciate that this bill recognizes the property rights that are being impacted and that the surface owner must be compensated for use of his pore space, we have some concerns with this bill that we hope can be addressed through an amendment.

As an example, the bill states that the industrial commission can create an exception to the requirements of this entire new chapter of the Century Code. We have pointed out to the bill's sponsors that this provision is likely unconstitutional. For landowners, the primary concern is that this would create a way to avoid paying surface owners compensation for their pore space, or it could mean that there is not a certain percentage of consenting surface owners required to amalgamate a storage reservoir. In other words, this is an example of an exception that could swallow the rule.

We also want to ensure that the landowners' rights to have access to the court system is protected. We do not want a situation where we have a regulatory agency determining compensation for all landowners. While we are not opposed to the commission setting up a process of its own, we want to ensure that landowners can choose to go to court as well.

These are examples of our primary concerns, and we do believe that the bill can be amended in a manner that accomplishes all of the goals of the industry and the commission, but also addresses landowner concerns. As the bill is currently written, we are opposed. But we hope you will give us time to work with the folks who proposed this legislation and allow us to take a cooperative approach on this bill to address our concerns so that the interests of all stakeholders can be addressed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Troy Coons', is located below the word 'Sincerely,'.

Troy Coons, Chairman  
Northwest Landowners Association