

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2065

Page 1, line 1, remove "section 15-05-09.1 and"

Page 1, line 2, remove "the authority of the board of university and school lands to lease lands"

Page 1, line 3, remove "under its control for the underground storage of oil or gas and"

Page 1, line 5, after "gas" insert "; and to amend and reenact sections 15-05-09 and 15-05-10 of the North Dakota Century Code, relating to oil and gas leases and royalties from oil leases"

Page 1, replace lines 7 through 13 with:

**"SECTION 1. AMENDMENT.** Section 15-05-09 of the North Dakota Century Code is amended and reenacted as follows:

**15-05-09. Leases for oil, gas, and other products.**

The board of university and school lands may lease any lands under its control believed to contain oil, gas, coal, cement materials, sodium sulfate, sand and gravel, road material, building stone, chemical substances, metallic ores, ~~or colloidal or other clays, or other naturally occurring elements and their compounds,~~ and may make and establish rules and regulations for development ~~and, drilling, and mining~~ operations.

**SECTION 2. AMENDMENT.** Section 15-05-10 of the North Dakota Century Code is amended and reenacted as follows:

**15-05-10. Royalties from oil and gas leases - Rents from other leases - Rules.**

Oil and gas leases must be made by the board of university and school lands at such annual minimum payments as are determined by the board, but the royalty shall be not less than twelve and one-half percent of the gross output of oil from the lands leased. Oil and gas leases made by the board may authorize a royalty of less than twelve and one-half percent for production from stripper well properties or individual stripper wells and qualifying secondary recovery and qualifying tertiary recovery projects as defined in section 57-51.1-01. ~~Leases for gas, coal, cement materials, sodium sulfate, sand and gravel, road material, building stone, chemical substances, metallic ores, or colloidal or other clays issued by the board under section 15-05-09 for products other than oil and gas must be made by the board in such annual payments provide for adequate rental payments and other provisions as are determined by the board. The board may adopt rules regarding annual rental payments and royalties under this section."~~

Page 3, line 9, replace "for good cause" with "if required to comply with applicable federal law"

Page 3, line 19, replace "Notice" with "Written notice"

Page 3, line 19, replace "given" with "mailed"

Page 3, line 19, after "owner" insert "of record"

Page 3, line 21, after the underscored period insert "The notice of hearing must be mailed to an owner's last known address."

Page 3, line 23, replace "given" with "mailed"

Page 3, line 24, after the first "owner" insert "of record"

Page 3, line 24, after the second "owner" insert "of record"

Page 3, line 27, replace "given" with "mailed"

Page 3, line 27, after "owner" insert "of record"

Page 3, line 28, after "owner" insert "of record"

Page 4, line 2, replace "given" with "mailed"

Page 4, line 2, after "owner" insert "of record"

Page 4, line 19, after "space" insert "unless the percentage required to unitize the oil and gas unit is otherwise provided for by order of the commission before August 1, 2021, if so the percentage in the order prevails"

Page 4, line 21, after "leases" insert "unless the percentage required to unitize the oil and gas unit is otherwise provided for by order of the commission before August 1, 2021, if so the percentage in the order prevails"

Page 5, line 25, replace "fifty-five" with "sixty"

Page 6, line 27, replace "fifty-five" with "sixty"

Page 7, line 18, after "storage" insert "if the minimum percentage of consent is obtained as specified in this chapter. Any pore space owner who does not have responsibility over the construction, management, supervision, or control of the storage facility operations is not liable for money damages for personal or other property damages proximately caused by the operations or presence of the storage facility"

Re-number accordingly