

CHAPTER 43-02-15 CERTIFICATION OF RESTIMULATION WELLS

Section

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43-02-15-01. Definitions.

The terms used throughout this chapter have the same meaning as in chapter 43-02-03 and North Dakota Century Code chapters 38-08 and 57-51.1.

History: Effective April 1, 2024.

General Authority: NDCC 38-08-04(1)(e)

Law Implemented: NDCC 38-08-04(1)(e), 57-51.1-01

43-02-15-02. Application to certify a restimulation well.

Any operator desiring to certify a restimulation well for purposes of eligibility for the tax reduction provided in North Dakota Century Code chapter 57-51.1 shall submit to the director an application for certification of the restimulation well. The operator has the burden of establishing entitlement to the certification and shall submit all data necessary to enable the director to determine whether the well should be certified as a restimulation well and entitled to the tax reduction provided in North Dakota Century Code section 57-51.1-03.

The application must be on a well sundry form and include the following:

1. The name and address of the operator of the restimulation well, including the phone number and electronic mail address of the submitting representative.
2. The well name and number, file number, and legal description of the surface location of the well by quarter-quarter, section, township, range, and county for which the certification is requested.
3. The field and pool for the well the restimulation was performed in for which the certification is requested.
4. The legal description of the spacing unit for the pool in the well the restimulation was performed in for which the certification is requested.
5. The original completion date for the pool in the well the restimulation was performed in for which the certification is requested.
6. The date previous stimulations were performed in pool in the well the restimulation was performed in for which the certification is requested.
7. A copy of the completion report for the pool in the well the restimulation was performed in for which the certification is requested, including the restimulation date and details.
8. Calculated barrels of oil per day for the most recent reporting month during which the restimulation well was produced at a maximum efficient rate for the pool in the well the restimulation was performed in for which the certification is requested.

9. Certification by the operator that:
 - a. The restimulation well is not located within the exterior boundaries of a reservation, is not located on trust properties outside a reservation boundary as defined in North Dakota Century Code section 57-51.2-02, and is not a straddle well located on reservation trust land as defined in North Dakota Century Code section 57-51.1-07.10, unless a tribe has made an irrevocable election to opt-in to the tax reduction by providing written notice to the tax commissioner. A copy of such notice shall be included.
 - b. The restimulation well is not a qualified stripper well or part of a qualified stripper well property as defined in North Dakota Century Code section 57-51.1-01.
 - c. The restimulation well is not part of a qualifying secondary recovery project or qualifying tertiary recovery project as defined in North Dakota Century Code section 57-51.1-01.

The application for certification must be accompanied by sufficient documentation for the director to determine the restimulation well constitutes a well as specified in North Dakota Century Code section 57-51.1-01. If the application does not contain sufficient information to make a determination, the director may require the operator to submit additional information.

History: Effective April 1, 2024.

General Authority: NDCC 38-08-04(1)(e)

Law Implemented: NDCC 38-08-04(1)(e), 57-51.1-01

43-02-15-03. Director certification of a restimulation well.

1. Upon receipt of an application for restimulation well certification, the director shall review the application, information, and all relevant information contained in the books, files, and records of the commission.
2. Restimulation well certification must be determined on the basis of the qualified calculated maximum barrels of oil per day for the most recent reporting month prior to the restimulation operation during which the restimulation well was produced at a maximum efficient rate for the pool in the well the restimulation was performed in. To qualify production from a restimulation well for the calculated barrels of oil per day, the restimulation well must have been maintained at the maximum efficient rate of production or is not capable of exceeding the production threshold if the well had been maintained at the maximum efficient rate of production throughout the qualifying reporting month.
3. Within thirty days of the receipt of a complete application for restimulation well certification, or a reasonable time thereafter, the director shall either grant or deny the application.
4. If an application for restimulation well certification is denied, the director shall enter a written determination denying the application and specify the basis for the denial. If an application for restimulation well certification is granted, the director shall enter a written determination granting the application and forward a copy to the tax commissioner. A copy of the determination either granting or denying the restimulation well certification application must be forwarded by the director to the operator. It is the obligation of the operator to notify and advise all other owners in the well and the purchaser of the crude oil of the determination of the director.

History: Effective April 1, 2024.

General Authority: NDCC 38-08-04(1)(e)

Law Implemented: NDCC 38-08-04(1)(e), 57-51.1-01

43-02-15-04. Operator adversely affected may submit amended application - Procedure.

Any operator adversely affected by a determination of the director made under this chapter may submit an amended application within thirty days after the entry of such a determination. If an amended application is submitted, the director shall issue a determination either granting or denying the restimulation well certification within thirty days of the receipt of the amended application or a reasonable time thereafter.

History: Effective April 1, 2024.

General Authority: NDCC 38-08-04(1)(e)

Law Implemented: NDCC 38-08-04(1)(e), 57-51.1-01

43-02-15-05. Operator adversely affected may petition the commission - Procedure.

Any operator adversely affected by a determination of the director of either an application or an amended application for restimulation well certification made under this chapter may petition the commission within thirty days after the entry of such a determination for a hearing in accordance with the provisions of North Dakota Century Code chapter 38-08 and chapter 43-02-03.

History: Effective April 1, 2024.

General Authority: NDCC 38-08-04(1)(e)

Law Implemented: NDCC 38-08-04(1)(e), 57-51.1-01

43-02-15-06. Books and records to be kept to substantiate reports.

Any operator making application to certify a restimulation well pursuant to this chapter shall make and keep records for a period of not less than six years, covering their operations in North Dakota from which they may be able to make and substantiate the reports required by this chapter.

History: Effective April 1, 2024.

General Authority: NDCC 38-08-04(1)(e)

Law Implemented: NDCC 38-08-04(1)(e), 57-51.1-01