

Oil and Gas Division

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www.dmr.nd.gov/oilgas/

NEWS RELEASE

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ATTACHMENT: House Bill 1347

Funding Continues for Reclamation Projects and Research

BISMARCK - Governor Doug Burgum last week signed House Bill 1347 into law to continue appropriations from the state's Abandoned Oil and Gas Well Plugging Site Reclamation Fund (AWPSRF). HB1347 allows the Industrial Commission to spend up to \$5 million per biennium from AWPSRF for the following projects:

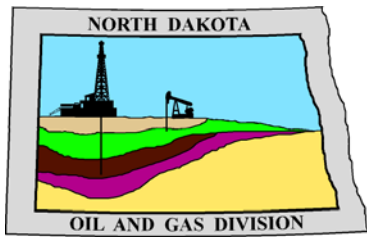
- Problems associated with "legacy" reclamation performed before Aug. 1, 1983.
- Research toward the number of brine ponds utilized before 1983 needing reclamation.
- Continuation of studies on best techniques for brine pond reclamation.
- Additional well site compaction study.
- Phase III of an underground gathering pipeline study.

House Bill 1347 is a continuation of work that started during the 2015-2017 biennium as a result of House Bill 1358. Over the last two years, six "legacy" reclamation projects were completed and one soil study was started using an appropriated \$1.5 million dollars. HB1358 also appropriated money for researching best techniques for brine pond reclamation and two phases of underground gathering pipeline studies.

"The passage of HB 1347 shows the commitment of the Industrial Commission and the Legislature to continue pursuing reclamation on projects where there is no responsible party under law," explains Oil and Gas Division Director Lynn Helms, whose division oversees the AWPSRF program. "It also provides funding to advance projects aimed at ways to better remediate salt-contaminated soils as well as research on improving underground gathering pipelines in the state."

House Bill 1347 appropriates monies that will be used to remediate at least four "legacy" sites over the next two years, including plugging old seismic shot holes and reclaiming old reserve pits. Money will also be used to research the number of old brine ponds in the state where salt contamination has spread and study the best possible ways to remediate those sites. Brine ponds were used in early oil and gas development as a way to store saltwater, a by-product of production. These ponds were outlawed in North Dakota in 1983. Over time, salt from some of these abandoned ponds has spread into surrounding farmland making the land unproductive to farming.

Section three of HB1347 appropriates \$500,000 to the Oil and Gas Research Council to continue work with the Energy and Environment Research Center to conduct a third study on underground gathering pipeline leak detection and a risk assessment of new and existing pipeline systems. This will be Phase III of the study, which previously included a Phase I comprehensive analysis, and Phase II which included a leak detection analysis.



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Gov. Burgum signed HB 1347 on April 12. It becomes law on July 1, 2017.

AWPSRF is funded through a portion of the state's gross production tax, confiscated bonds, civil penalties and fees paid to the Oil and Gas Division.

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