

MEMORANDUM

To: Geothermal System Installers
From: Lorraine A. Manz, Geothermal Regulatory Program Administrator
Subject: Geothermal Installation Requirements: New Permit Requirements for Residential Installations
Date: May 3, 2007

House Bill No. 1060 was signed into law by Governor John Hoeven on April 12, 2007. Because the legislature put an emergency clause on the bill, it took effect April 13th. This bill amends section 38-19-04 of the North Dakota Century Code dealing with geothermal energy extraction permits. Previously, this section read as follows:

38-19-04. Permit or report required. *It is unlawful to commence any operations for the drilling, boring, excavating, or construction of a geothermal energy extraction facility, which is used for other than private residential heating and cooling purposes, without first securing a permit from the director of mineral resources, under such rules as may be adopted by the commission and after paying to the commission a fee for each such facility in an amount to be prescribed by the commission by rule. The fee set must be related to the cost or regulation and inspection under this chapter.*

A report is required upon completion of any geothermal energy extraction facility used solely for private residential heating or cooling purposes. The report must be prepared by the geothermal energy extraction facility installer on a form provided by the state geologist and must be furnished to the state geologist within thirty days after the completion of the facility. The report must contain relevant information the state geologist requires relating to the environmental safety of the facility, including the facility owner and location, a log of formations penetrated, if any, system specifications and design, and fluids used in the facility.

All construction of geothermal energy extraction facilities must comply with rules adopted under this chapter.

According to the wording of this section residential geothermal energy extraction facilities did not require a permit. House Bill No. 1060 eliminates this waiver. With effect from April 13, 2007 all geothermal energy extraction facilities must be permitted by the North Dakota Geological Survey and the permit application accompanied by the appropriate fee. The permit application fee for non-residential facilities remains unchanged at \$100. Permits for residential facilities will not require a fee payment until the new rules are promulgated. We anticipate that the residential permit fee will be \$20.

Because House Bill No. 1060 took effect immediately **ALL RESIDENTIAL GEOTHERMAL ENERGY EXTRACTION FACILITIES THAT WERE SPUDDED ON OR BEFORE APRIL 13, 2007, MUST HAVE A PERMIT. YOU SHOULD CONTACT THE NORTH DAKOTA GEOLOGICAL SURVEY IMMEDIATELY AT (701) 328 8000 IF YOU NEED TO SUBMIT ANY APPLICATIONS.**

A copy of the new geothermal energy extraction permit application form (SFN 11763 [4/07] [1-ge]) is enclosed. This form replaces SFN 11763 (12/04) (1-ge) and is to be used for all permit applications.