

North Dakota Legislative Council

STATE CAPITOL, 600 EAST BOULEVARD, BISMARCK, ND 58505-0360

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Code Revisor

September 26, 2016

Mr. Bruce Hicks
Assistant Director, Oil and Gas Division
Department of Mineral Resources
Industrial Commission
State Capitol
Bismarck, ND 58505

Dear Mr. Hicks:

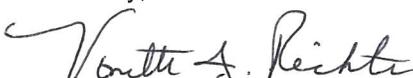
At the September 13, 2016, meeting of the Administrative Rules Committee, the committee approved several motions to hold over consideration of the following rules to the next meeting:

1. **North Dakota Administrative Code Section 43-02-03-15** (Supplement pages 142-147)
Issue: Whether the Industrial Commission, based upon 2015 House Bill No. 1358, has the authority to apply the bond requirement retroactively to existing crude oil and produced water gathering pipelines.
2. **Sections 43-02-03-29 and 43-02-03-29.1** (Supplement pages 150-160)
Issues:
 - a. Whether requiring underground gathering pipeline owners to report information on leakage detection methods in subsections 8 and 9 of Section 43-02-03-29.1 is contrary to legislative intent. The committee indicated the legislation was intended to regulate "leak protection" not "leak detection"; and
 - b. Throughout Section 43-02-03-29.1, whether the Industrial Commission has legislative authority to regulate underground gas gathering pipelines. The committee indicated 2015 House Bill No. 1358 did not authorize the regulation of underground gas gathering pipelines.
3. **Section 43-02-03-49** (Supplement page 164); **subsection 6 of Section 43-02-03-51.3** (Supplement pages 165-167); and **subsection 6 of Section 43-02-03-53.3** (Supplement pages 170-171)
Issue: Whether, by requiring berms on all existing well sites, the Industrial Commission exceeded its authority and whether the rules are outside the scope of legislative intent.

The committee would like you or another representative of the Industrial Commission to address the issues raised above and present information and any resolution of the issues to the committee. Representative Bill Devlin, Chairman, suggested you work with Senator Kelly M. Armstrong to address and resolve the issues raised by the committee.

Representative Devlin has called the next meeting of the Administrative Rules Committee for Monday, December 5, 2016, in the Prairie Room of the State Capitol. The meeting is tentatively scheduled to begin at 8:30 a.m. The meeting notice and agenda will be available closer to the meeting date. We hope you or another representative of the board will be available to provide the requested information to the committee on December 5.

Sincerely,


Vonette J. Richter
Code Revisor

VJR/KS

cc: Representative Bill Devlin
Senator Kelly M. Armstrong