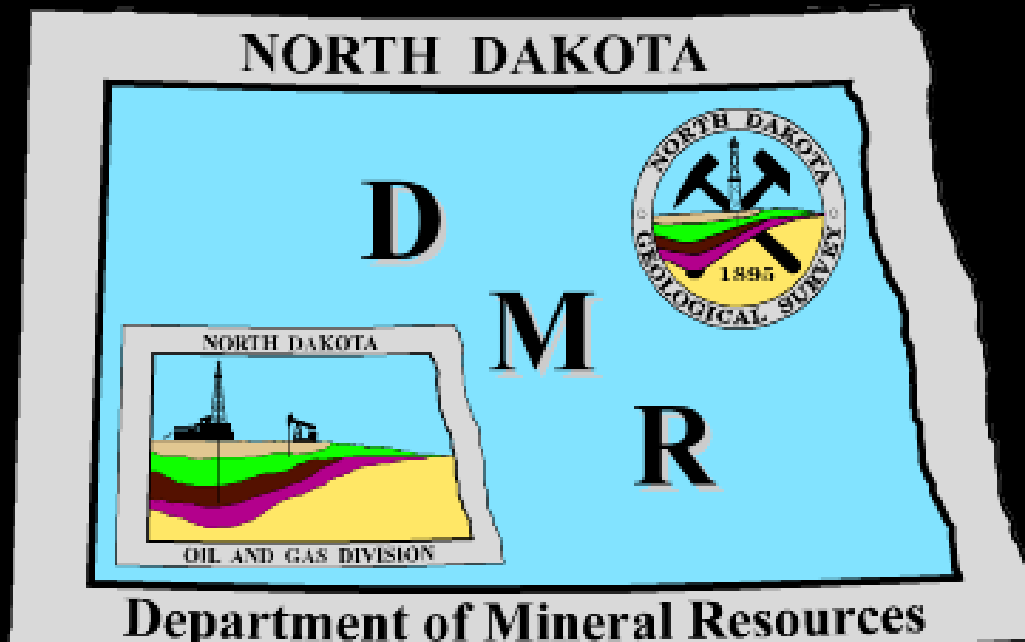


North Dakota Department of Mineral Resources



<http://www.oilgas.nd.gov>

<http://www.state.nd.us/ndgs>

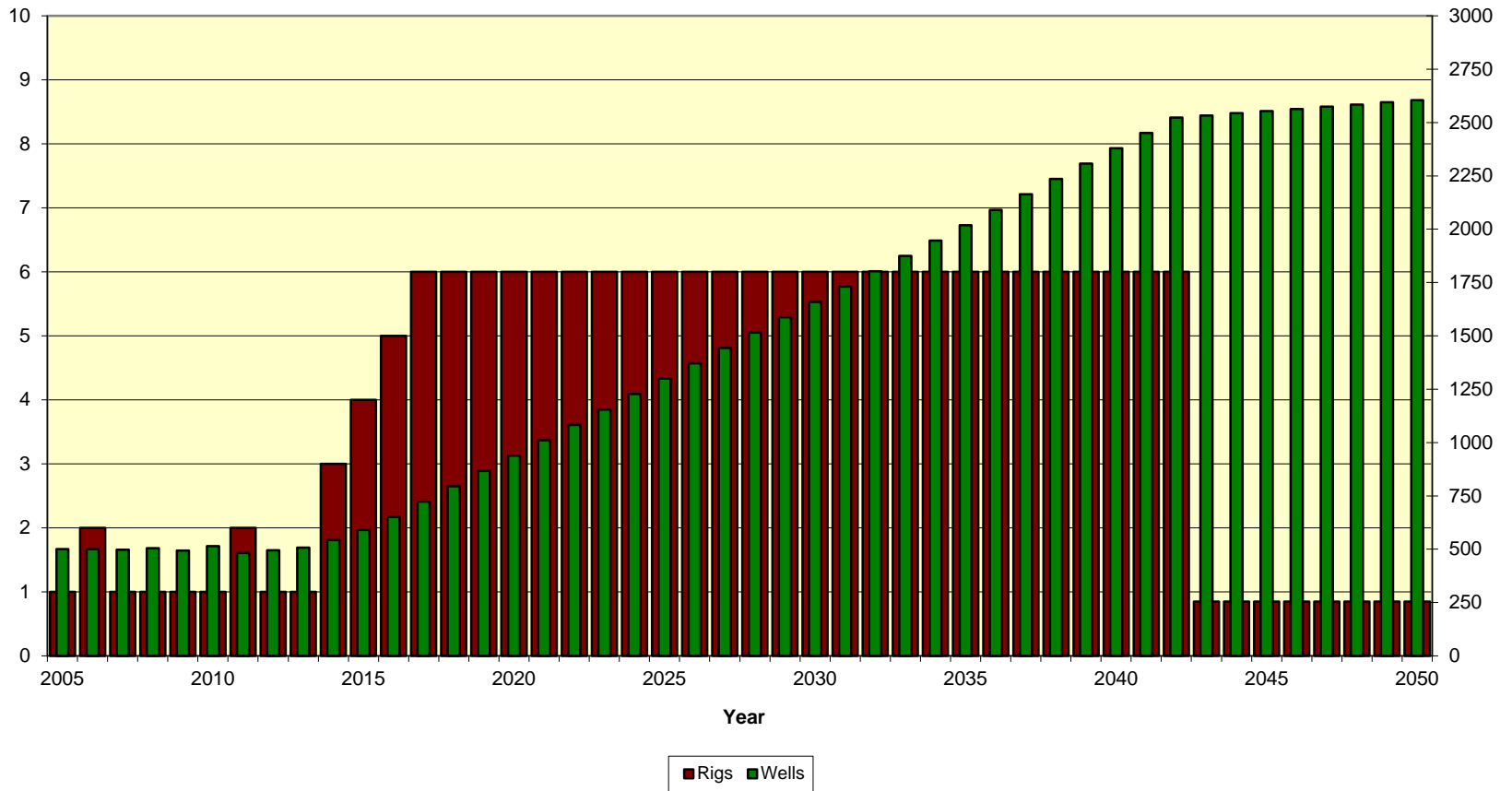
600 East Boulevard Ave. - Dept 405

Bismarck, ND 58505-0840

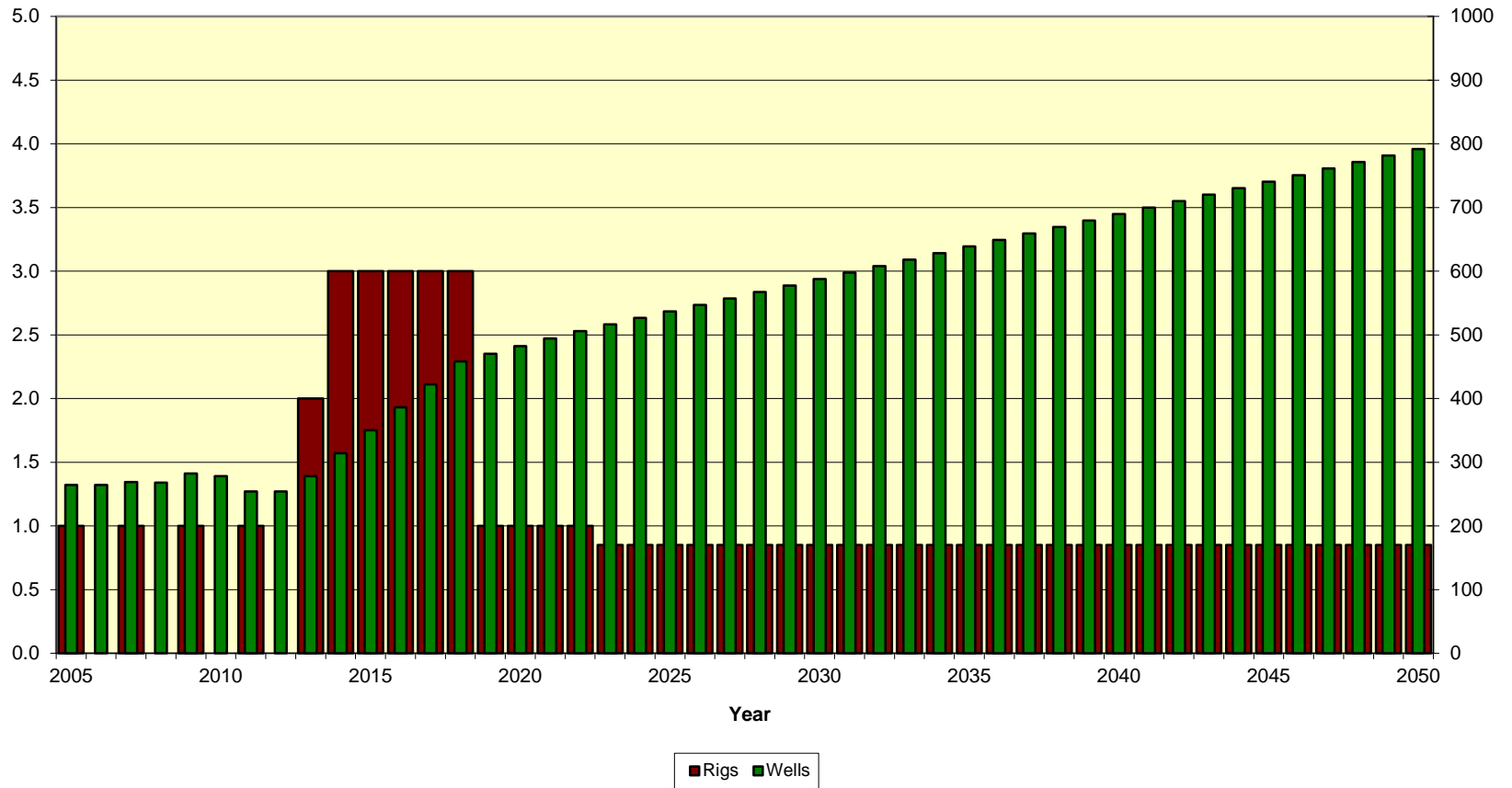
(701) 328-8020

(701) 328-8000

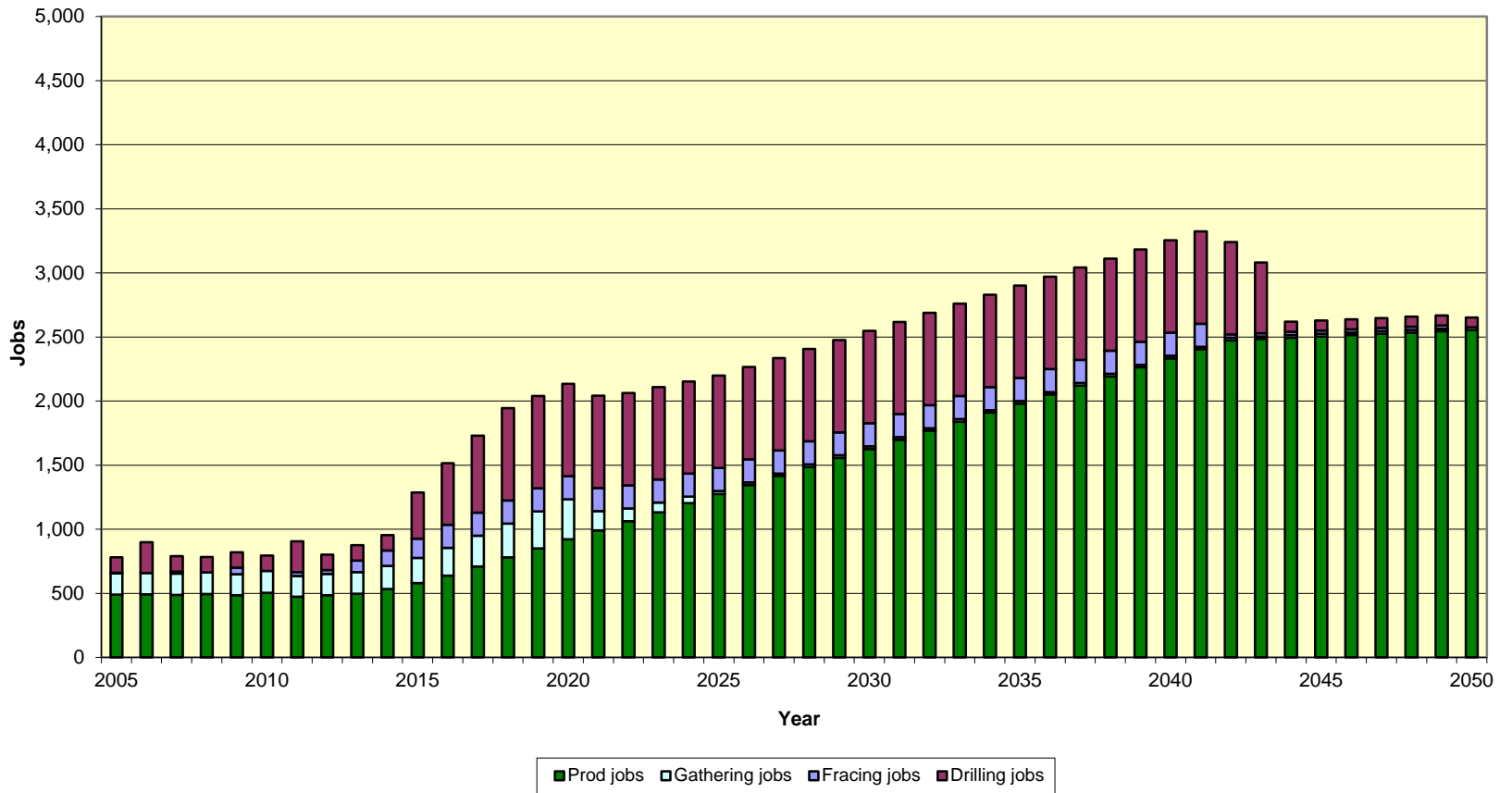
Bottineau Rigs and Wells



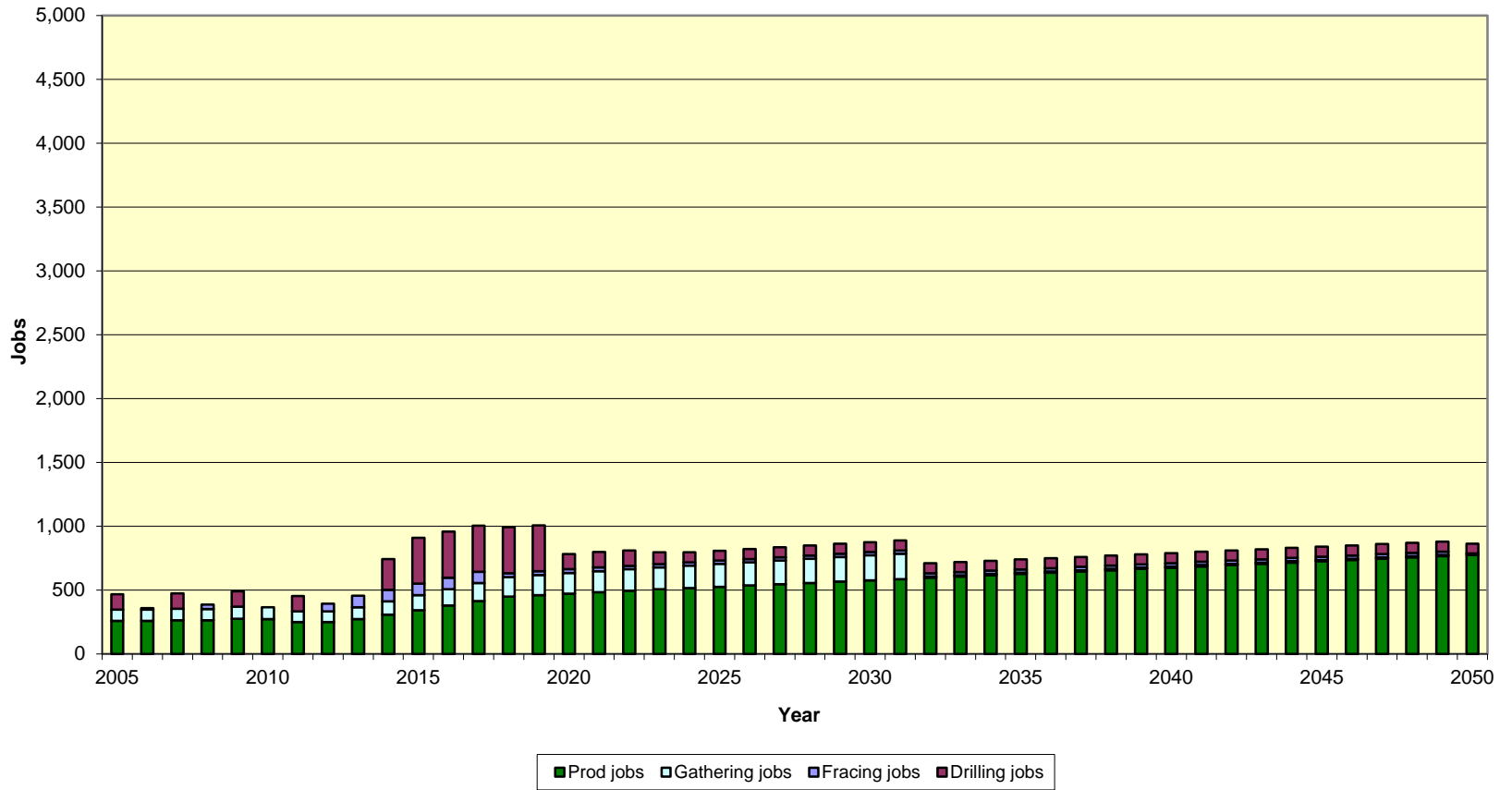
Renville Rigs and Wells

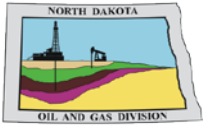


Bottineau Oil Industry Jobs

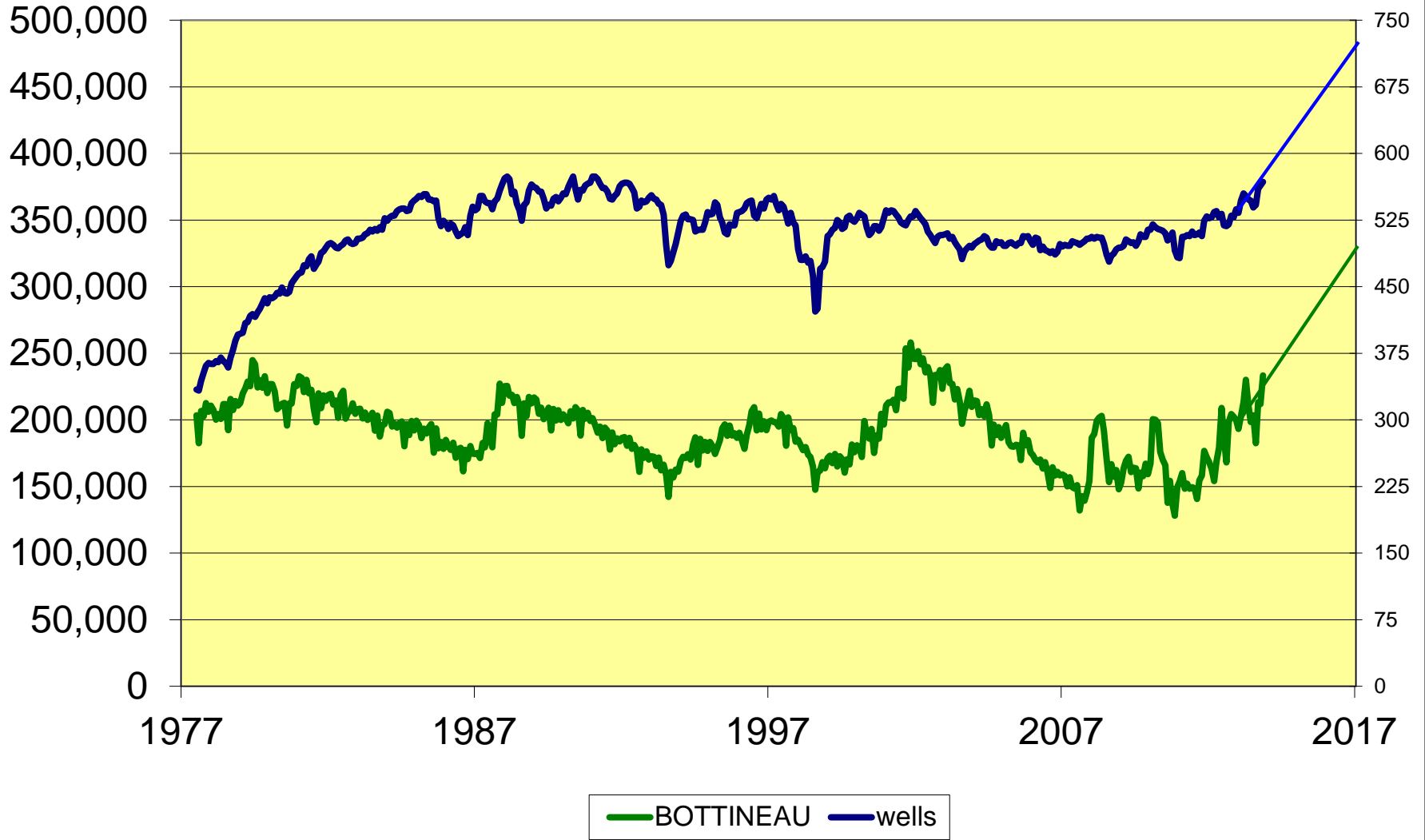


Renville Oil Industry Jobs



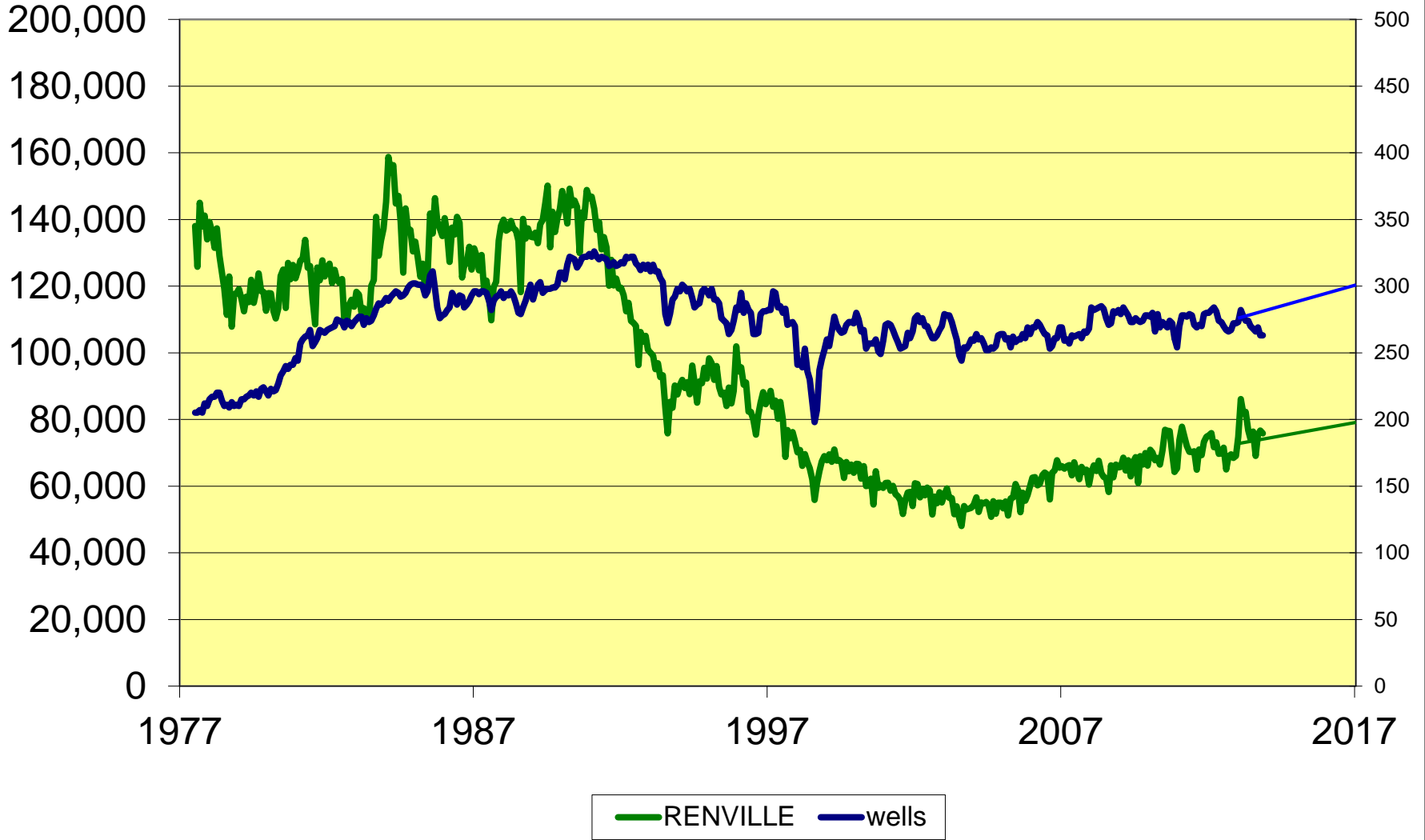


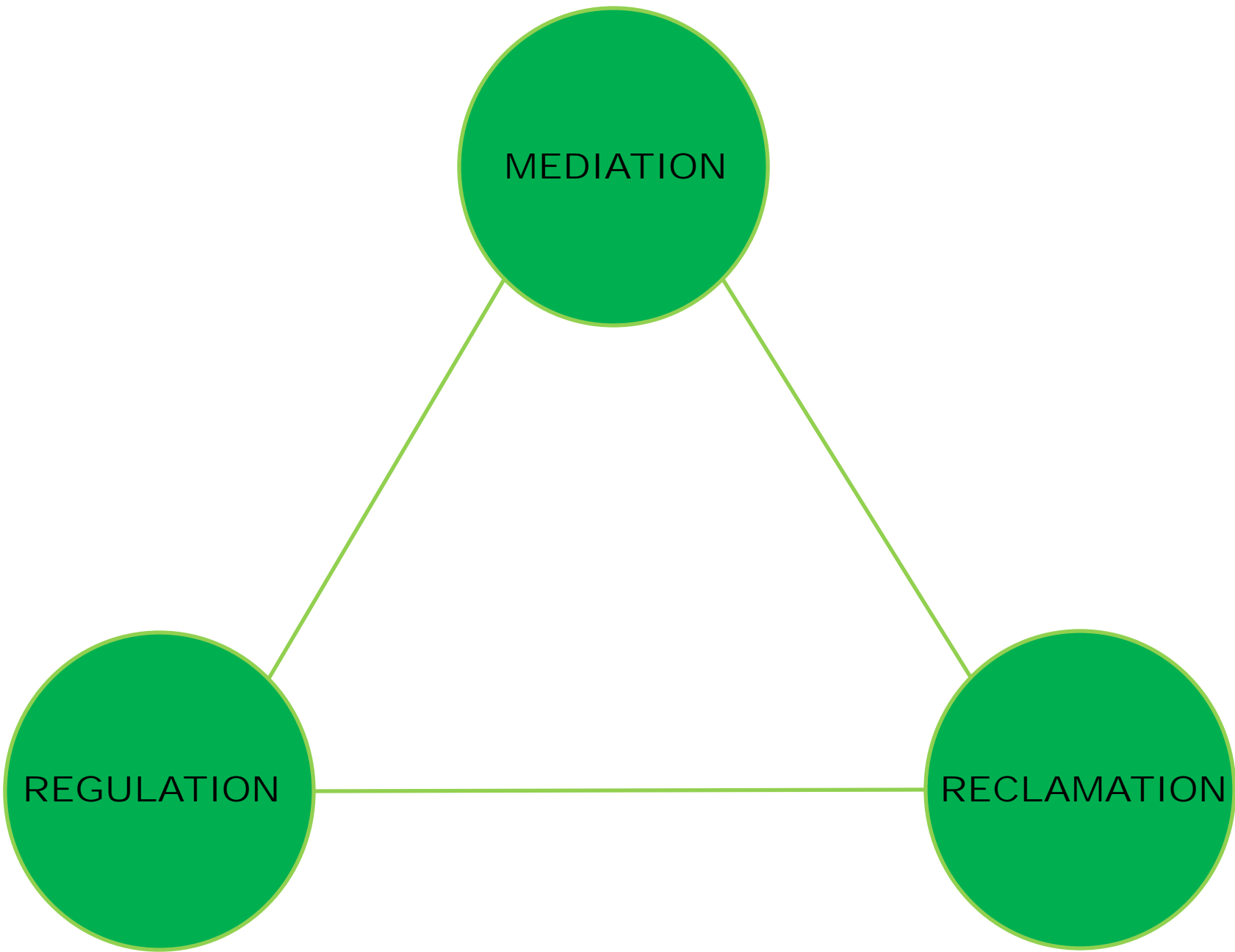
MONTHLY OIL PRODUCTION FOR LOCAL COUNTIES





MONTHLY OIL PRODUCTION FOR LOCAL COUNTIES





REGULATION

Prevention

43-02-03-19. SITE CONSTRUCTION

43-02-03-19.2 DISPOSAL OF WASTE MATERIAL

43-02-03-19.4. DRILLING PITS

43-02-03-20. SEALING OFF STRATA

43-02-03-21. CASING, TUBING, AND CEMENTING REQUIREMENTS

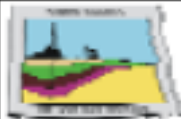
43-02-03-29 WELL AND LEASE EQUIPMENT

43-02-03-36 LIABILITY

43-02-03-49 OIL PRODUCTION EQUIPMENT, DIKES, AND SEALS

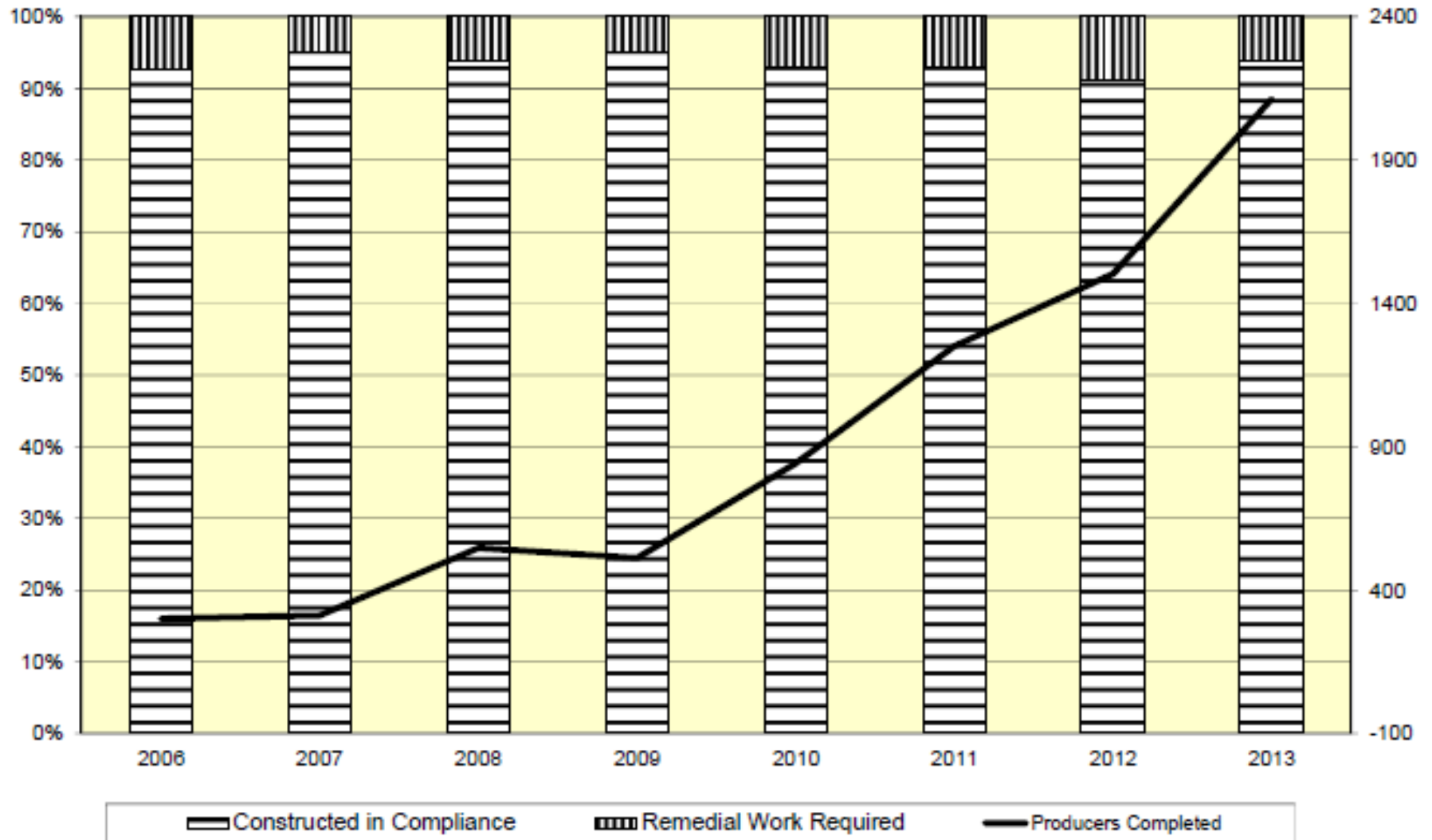
43-02-03-51.3 TREATING PLANT CONSTRUCTION AND OPERATION REQUIREMENTS

43-02-03-53 SALTWATER HANDLING FACILITIES



Well Construction

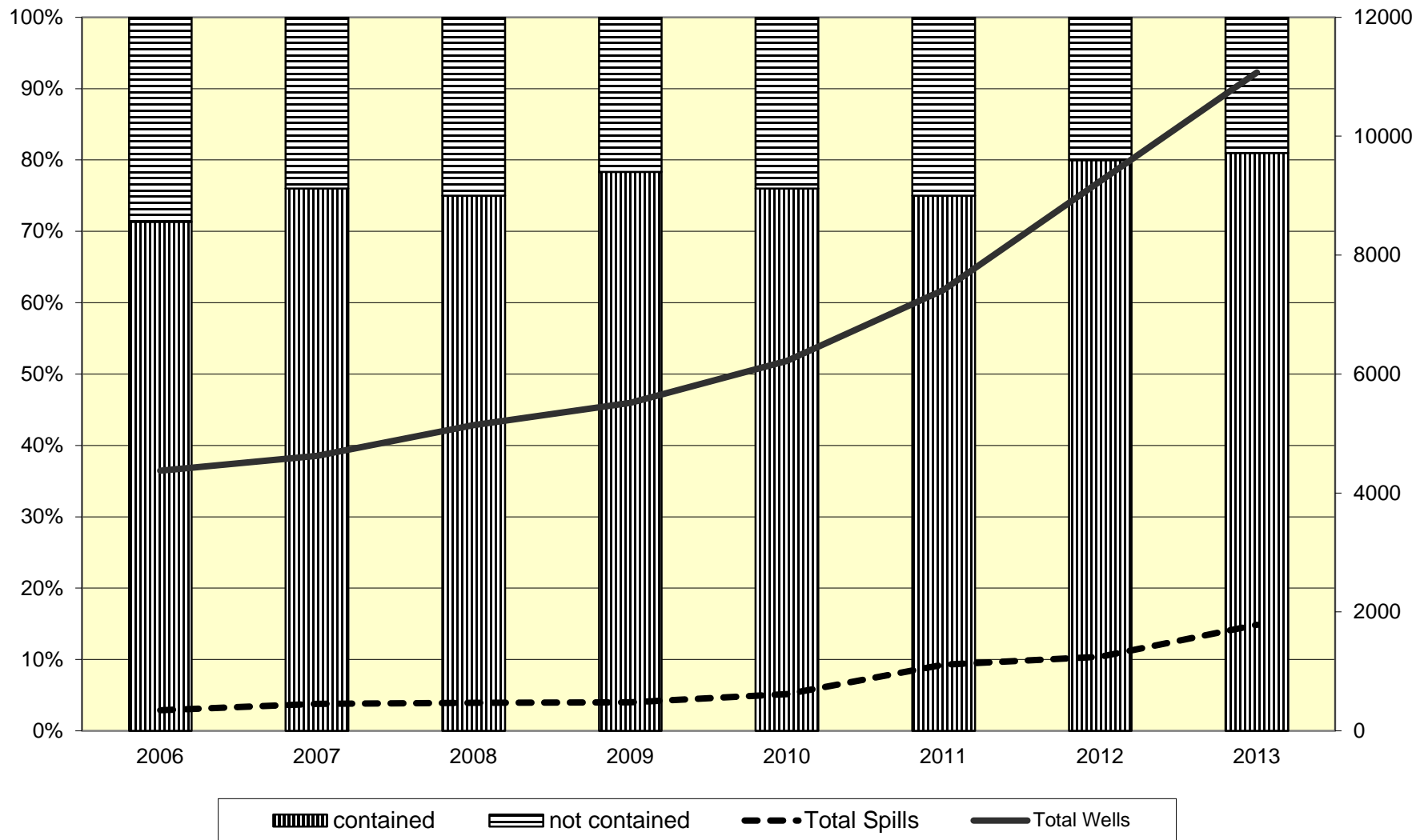
The Oil and Gas Division has well construction rules to protect underground drinking water.
Without this program 5-10% of new North Dakota wells could be leaking.

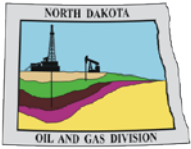




Surface Spills

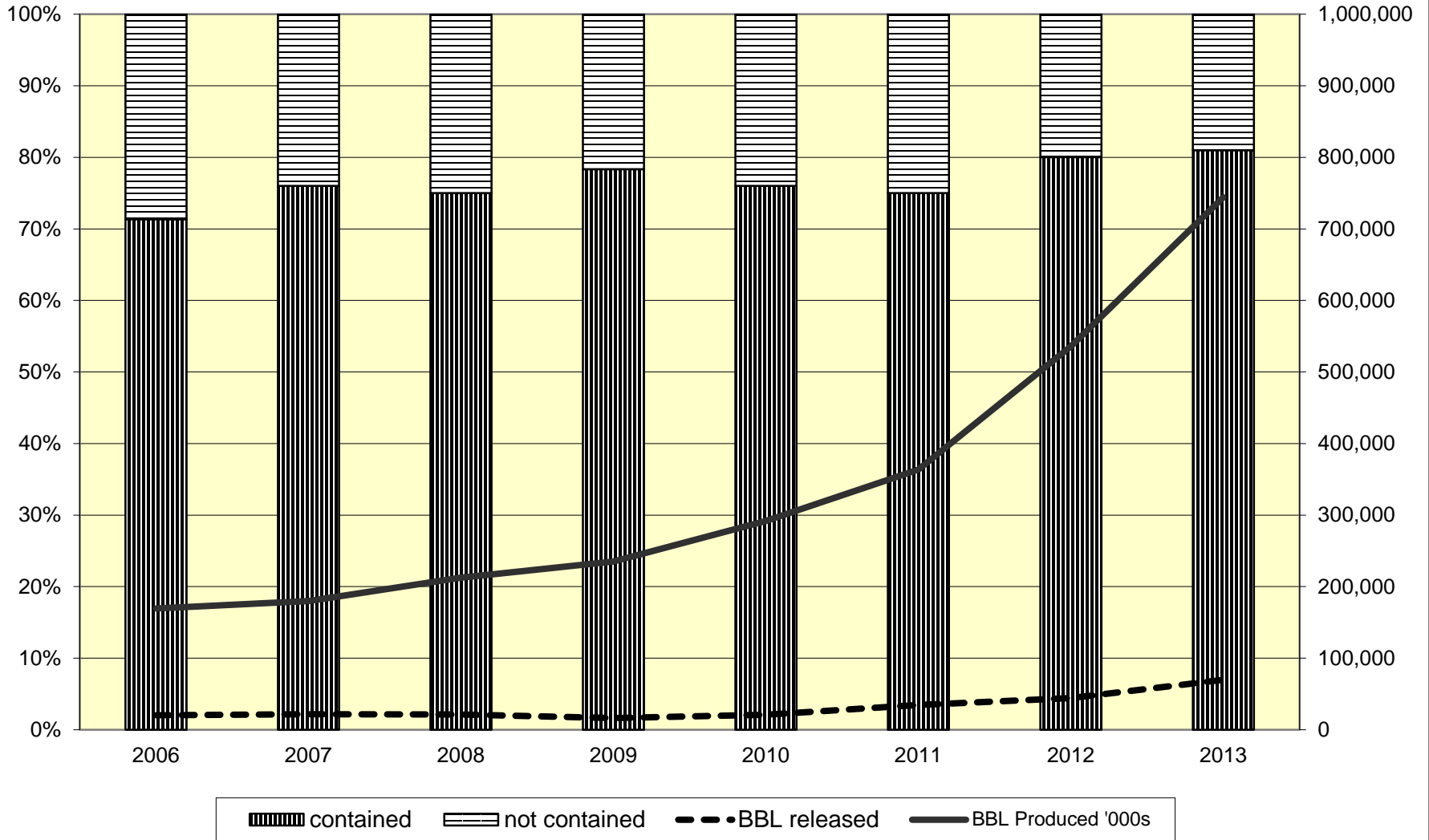
The Oil and Gas Division regulates spill containment through diking and site construction rules.





Surface Spills

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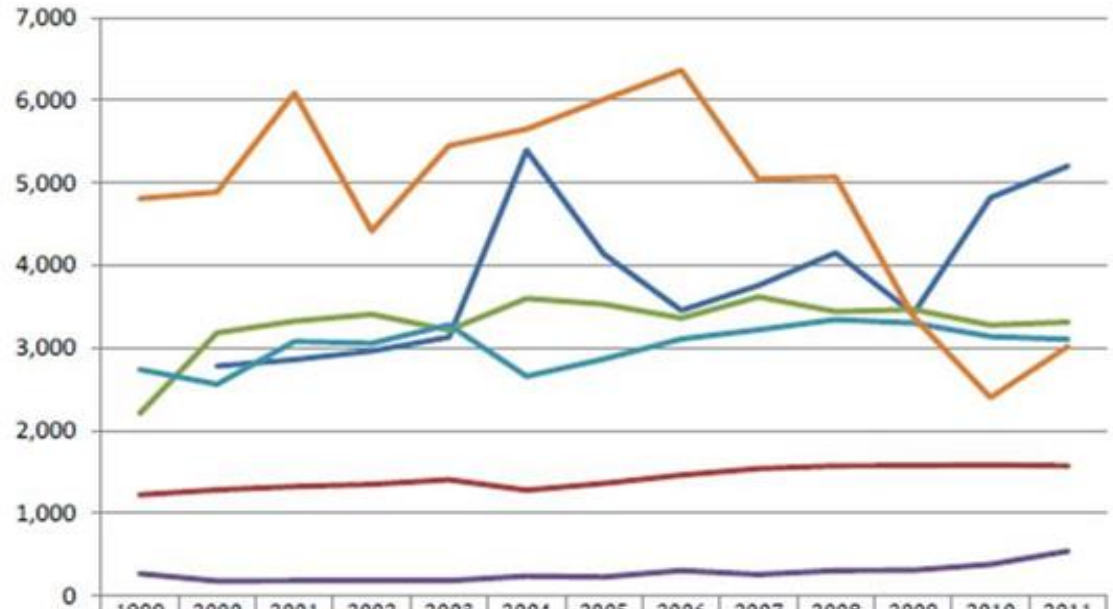
REGULATION

Enforcement

- **Verbal notice of violation: at field level**
- **Written notice of violation: inspector to operator**
- **Official complaint with penalties:**
 - **Settle through consent agreement without hearing**
 - **Hearing before Administrative Law Judge**
 - NDIC order
 - Appealable to District Court and Supreme Court

Western
Organization of
Resource Councils

Figure 4. Active Wells Per Inspector



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Colorado*		2,779	2,859	2,964	3,130	5,394	4,136	3,455	3,757	4,151	3,413	4,817	5,204
Montana	1,221	1,280	1,322	1,350	1,404	1,278	1,360	1,461	1,539	1,574	1,576	1,585	1,573
New Mexico	2,207	3,181	3,324	3,406	3,217	3,601	3,528	3,362	3,619	3,438	3,465	3,276	3,314
North Dakota	267	176	183	184	181	236	227	303	258	305	309	381	540
Wyoming	2,740	2,559	3,078	3,056	3,279	2,657	2,866	3,109	3,219	3,342	3,303	3,139	3,104
BLM**	4,807	4,885	6,087	4,417	5,449	5,650	6,005	6,361	5,041	5,069	3,379	2,399	3,019

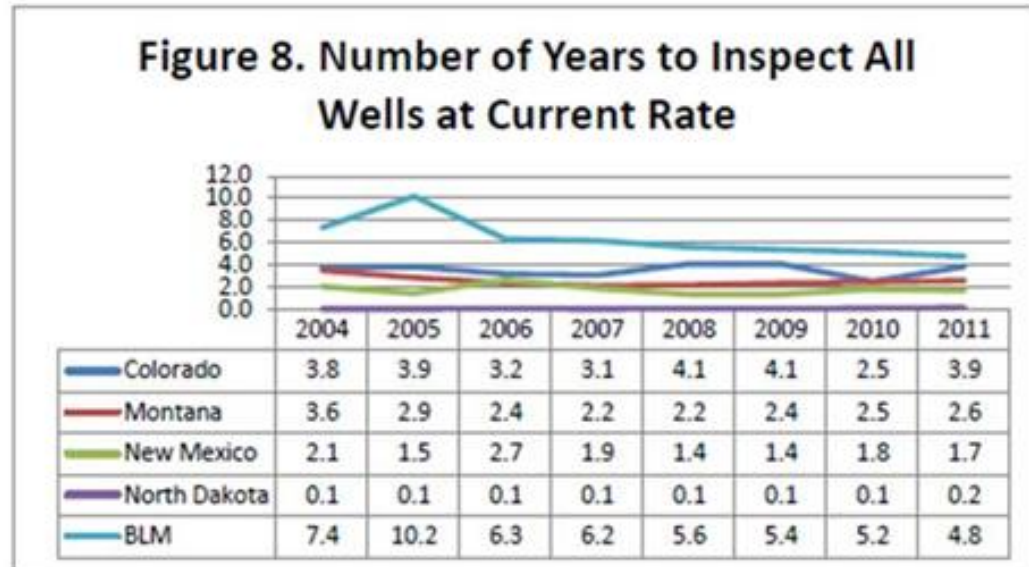
*Colorado data for 1999 is unavailable.

**BLM Inspectors were calculated by FTE, as described in the accompanying narrative.

Since 2011 the ND well count has gone from 6,500 to 15,000 and the number of inspectors from 17 to 32 so our current ratio is even lower at 470 wells per inspector.

Western Organization of Resource Councils

Based on current inspection rates, only the ND OGD has the capacity to inspect all producing wells at least once each year. The BLM has consistently improved since 2005, but requires more time to inspect all federal wells (Figure 8).



According to this same study ND is the only state or federal agency with enough inspectors to visit each well more than once per year (actually >5 times per year). The BLM averages once per 3 years in ND and once per 10 years in WY.

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 Organization of
 Resource Councils

Table 4. Maximum Fine Policies	
Colorado: Colo. Rev. Stat. 34-60-121	Maximum fine is \$500 - \$1,000 per violation per day. The maximum total fine for violations that do not have adverse effects on public health/welfare/resources is \$10,000 regardless of the number of days of continued violation. For violations that affect public health/welfare/resources the total may exceed \$10,000.
Montana: MCA 82-11-147 and 149	Minimum civil penalty is \$75 per violation per day and maximum is \$10,000 per violation per day, up to a maximum of \$125,000 per violation. A court may grant such prohibitory and mandatory injunctions as the facts may warrant, including temporary restraining orders.
New Mexico: N.M. Stat. 70-2-31	Maximum civil penalty is \$1,000 per violation per day, or \$5,000 for knowing and willful violations.
North Dakota: N.D.C.C. 38-08-16 and 38-08.1-07	Maximum civil penalty is \$12,500 per offense per day, or \$1,000 per offense per day for failure to plug drill holes.
Wyoming: Wyo. Stat. Ann. 30-5-119	Maximum civil penalty is \$5,000 per violation per day that a violation continues, or \$10,000 per day for knowing and willful violations.
BLM: 43 CFR 3160	Maximum assessment is \$500 per major violation per day, \$250 per minor violation per day, or \$1,000 per day per operator per lease. If a violation is not corrected within at least 20 days, the operator is liable for a civil penalty of up to \$500 per violation per day.

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Table 2. Civil Penalties – Amount and Total Number

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Colorado	\$494,000 (15)	\$264,300 (12)	\$88,600 (13)	\$478,300 (11)	\$168,000 (6)	\$1,200,000 (10)	\$3,000,000 (22)		
Montana	NA	NA	\$1,880 (7)	\$1,000 (5)	\$6,070 (8)	\$10,000 (6)	NA		
New Mexico	\$130,500 (38)	\$224,000 (64)	\$559,750 (72)	\$504,250 (55)	\$735,500 (20)	\$14,000 (5)	\$50,000 (1)		
Wyoming	NA	NA	NA	NA	\$15,500 (NA)	NA	NA		
North Dakota	\$22,000 (1)	\$85,900 (2)	\$118,900 (5)	\$323,900 (4)	\$69,900 (3)	\$10,000 (1)	\$3,930,000 (40)	\$1,775,000 (4)	\$2,812,500 (9)

“The wheels of justice grind slowly, but surely and exceedingly fine.”

- US Representative Richard Harwey Cain 1875

RECLAMATION

During active life of well or facility

43-02-03-30 NOTIFICATION OF FIRES, LEAKS, SPILLS, OR BLOWOUTS

43-02-03-30.1 LEAK AND SPILL CLEANUP

43-02-03-36 LIABILITY

MOA with Department of Health

The NDIC and NDDH both have regulatory jurisdiction to prevent the pollution of soil and water resources of the state of North Dakota. This agreement is entered into by each agency to promote interagency cooperation and to define the duties of each agency as they relate to environmental protection and corrective action activities associated with the oil and gas industry.

Upon notification, if the NDDH identifies the reported spill as a violation of environmental law and a significant threat to the resources of the state, the NDDH shall contact the NDIC and work through them to implement appropriate assessment and corrective action activities. If the NDIC deems the spill outside of their regulatory jurisdiction, they may defer to the NDDH as the lead agency to address and require appropriate corrective action.

RECLAMATION

Abandonment of well or facility

43-02-03-29 WELL AND LEASE EQUIPMENT

43-02-03-34.1 RECLAMATION OF SURFACE

43-02-03-36 LIABILITY

43-02-03-51.4 TREATING PLANT ABANDONMENT AND RECLAMATION REQUIREMENTS

43-02-03-55 ABANDONMENT OF WELLS OR TREATING PLANTS-SUSPENSION OF DRILLING

RECLAMATION

38-08-04.5. ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND - BUDGET SECTION REPORT

\$7,869,798 in Fund (6-30-2014)

\$5 million/year, \$75 million cap

40 projects

22 illegal dumping sites

13 active

9 closed - \$90,000 estimated cost

18 active well/facility reclamation sites

Est \$100,000 each (\$1.8 million total)

HB 1333 SECTION 11. APPLICATION. This Act does not apply to the reclamation of an oil or gas-related pipeline or associated facility put into service before August 1, 1983.

“Facts are stubborn things; and whatever may be our wishes, our inclinations, or the dictates of our passions, they cannot alter the state of facts and evidence.”

- John Adams 1770