

North Dakota Oil & Gas Division Environmental Activities Update



Fred J. Anderson
GeoTech Support Staff Officer

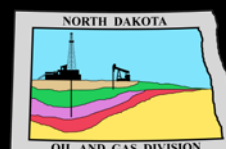
(Whitten Aerials, 2011 with permission)



**North Dakota Department
of Mineral Resources**

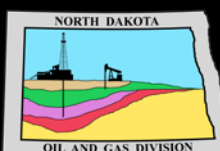
**Energy Development & Transmission Committee Update
Tuesday, February 11, 2014**

**North Dakota
Oil & Gas Division**



Scope of Update

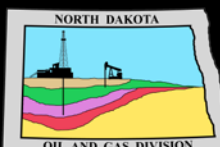
- HB 1149 Requirements
 - Spill Reporting Rules Changes
- HB 1333 Requirements
 - Increased Response to Illegal Dumping Incidents
 - Abandoned Oil & Gas Well Plugging and Site Reclamation Fund (AWPSRF) Program
- SASR (Sakakawea Area Spill Response)



HB 1149 Requirements

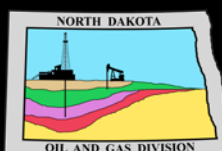
- Required NDDES:
 - to “serve as a central information dissemination point and repository for initial notification information for spills and discharges in the state for hazardous chemicals as defined in section 37-17.1-07.1, oil, gas, and saltwater.”
 - And to modify reporting requirements such that reports must include:
 - The name of the reporting party, including phone number and address, date and time of the incident, location of the incident, type and cause of the incident, estimated volume of release, containment status, waterways involved, and immediate potential threat.

....In order to be responsive and constructive to these collective agency needs, the Oil & Gas Division elected to...



1. Spill Reporting Forms and Notifications Changes

- Complete modifications to our current spill reporting forms and notification systems.
- Added new fields to capture and report:
 - *name of the reporting party, including phone number and address, date and time of the incident, location of the incident, type and cause of the incident, estimated volume of release, containment status, waterways involved, immediate potential threat, action taken, and narrative related to the preservation of confidential information.*
- Notifications are sent immediately and automatically to:
 - *North Dakota Oil & Gas Division Field Inspection and Reclamation Staff*
 - *North Dakota Department of Emergency Services*
 - *North Dakota Department of Health*



O&G Revised Environmental Incident Report Initial Notification Form

Incidents Report Incident

Well / Facility Information

Facility Type: All County: All Field: All

Facility #	Name	Operator	Sec	Twp	Rng	QQ	Type	Status
10148301	AUGUST MOBERG 1 P-6 BATTERY	EAGLE OPERATING, INC.	21	159	94	NWSW	Single Well Facility	Active
10942101	Duncan Patten CTB (5C-2-1)	PETRO-HUNT, L.L.C.	5	144	97	NENW	Central Production Facility	Active
11583277	RUSSELL E. SMITH 24-43H	HESS CORPORATION	24	155	96	SWSE	Single Well Facility	Active

1 - 10 of 28845 items

Clear All Filters Use Selected Facility Clear Selected

Well Operator

Select Operator

Facility ID: Facility Number Well File Number: Well File Number Field Name: Select Oil Field

Well Name: Well Name

Submitters Information

First Name*
First Name
The Submitters first name is required.

Last Name*
Last Name
The Last Name field is required.

Address
Address

City State Zip
City State (2 character) Zip

Phone*

Responsible Party

Responsible Party*
Responsible Party
The Responsible Party field is required.

Address*
Address
The Address field is required.

Address
Address

City* State* Zip*
Responsible Party State (2 character) Responsible Party
The City field The State The Zip field

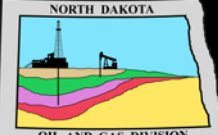
<https://www.dmr.nd.gov/oilgas/>



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2. Spill Reporting Rules Changes

- Revised N.D. Oil & Gas Division Rules:
(NDAC Section 43-02-03-30) effective April 1, 2014.

43-02-03-30. NOTIFICATION OF FIRES, LEAKS, SPILLS, OR BLOWOUTS. All persons controlling or operating any well, pipeline, receiving tank, storage tank, or production facility into which oil, gas, or water is produced, received, stored, processed, or through which oil, gas, or water is injected, piped, or transported, shall verbally notify the director immediately and follow-up utilizing the on-line initial notification report within twenty-four hours after discovery of any fire, leak, spill, blowout, or release of fluid. The initial report must include the name of the reporting party, including phone number and address, date and time of the incident, location of the incident, type and cause of the incident, estimated volume of release, containment status, waterways involved, immediate potential threat, and action taken. If any such incident occurs or travels offsite of a facility, the persons, as named above, responsible for proper notification shall within a reasonable time also notify the surface owners upon whose land the incident occurred or traveled. Notification requirements prescribed by this section shall not apply to any leak, spill, or release of fluid that is less than one barrel total volume and remains onsite of a facility. The ~~verbal~~ initial notification must be followed by a written report within ten days after cleanup of the incident, unless deemed unnecessary by the director. Such report must include the following information: the operator and description of the facility, the legal description of the location of the incident, date of occurrence, date of cleanup, amount and type of each fluid involved, amount of each fluid recovered, steps taken to remedy the situation, cause of the accident, and action taken to prevent reoccurrence, and if applicable, any additional information pursuant to North Dakota Century Code section 37-17.1-07.1(e). The signature, title, and telephone number of the company representative must be included on such report. The persons, as named above, responsible for proper notification shall within a reasonable time also provide a copy of the written report to the surface owners upon whose land the incident occurred. The commission, however, may impose more stringent spill reporting requirements if warranted by proximity to sensitive areas, past spill performance, or careless operating practices as determined by the director.

History: Amended effective April 30, 1981; January 1, 1983; May 1, 1992; July 1, 1996; January 1, 2008; April 1, 2010; _____.

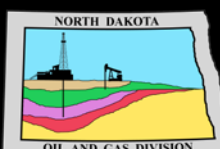
General Authority Law Implemented
NDCC 38-08-04 NDCC 38-08-04



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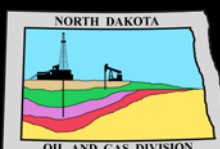


HB 1333 Requirements

Increased O&GD Responsibility to Respond to Illegal Dumping Incidents

Activities in Progress:

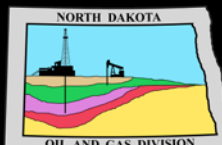
1. Currently completing the RFP process to select an Environmental Response Services Provider to support site assessment and remedial response for illegal dumping incidents.
2. Preparing an additional RFP for an Environmental Response Services Provider to respond to possible emergency releases in and around Lake Sakakawea (SASR)
3. Created an O&GD Abandoned Oil and Gas Well and Site Reclamation Fund (AWPSRF) Program team



Generalized Steps in the Process of Responding and Reclaiming Damages from an Illegal Dumping Incident

(Agency Staff Only)

- Step 1 – Oil & Gas Division is Notified of an Illegal Dumping Incident.
- Step 2 – Ensure that appropriate reporting has been completed and that agencies in the response chain have been notified.
- Step 3 – Dispatch O&GD field inspection staff to visit the site.
- Step 4 – Conduct a preliminary field assessment of site conditions to identify material constituents and whether or not further action is required.
- Step 5 – Conduct assessment of affected area (collect samples and submit for analysis and testing)
- Step 6 - Review sampling and analysis results.
- Step 7 – Evaluate site investigation options and conduct field investigation.
- Step 8 – Review site investigation results and evaluate remedial options.
- Step 9 – Select and implement remedial option.
- Step 10 – Evaluate remedial activities for progress of reclamation process.
- Step 11– Conduct further testing and analysis to evaluate effectiveness of remedial process.
- Step 12 – Review final remedial\reclamation report for suitability of case closure.
- Step 13 – Remedial actions completed and site is considered reclaimed.
- Step 14 - Award funds for reimbursement of remedial activities completed.
- Step 15 – Case is closed and no further action is required on site.

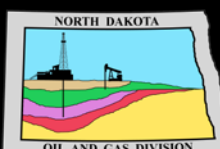


Generalized Steps in the Process of Responding and Reclaiming Damages from an Illegal Dumping Incident

(with an identified Environmental Services Provider)

- Step 1 – Oil & Gas Division is Notified of an Illegal Dumping Incident.
- Step 2 – Ensure that appropriate reporting has been completed and that agencies in the response chain have been notified.
- Step 3 – Dispatch O&GD field inspection staff and contracted environmental services provider to visit the site.
- Step 4 – Staff conduct preliminary field assessment of site conditions to identify material constituents and whether or not further action is required.
- Step 5 – Contracted environmental service provider conducts site assessment, investigation, and remedial services as required.
- Step 6 - Review completed work and final remedial\reclamation report.
- Step 8 – Award reimbursement of funds for services completed – case is closed.

****Utilizing an industry Environmental Services Provider (i.e. Contractor) based approach positions O&GD personnel to serve in the proper regulatory oversight role and the contractor to be in the proper service provider role.***

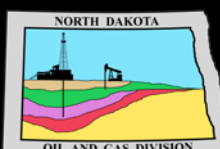


HB 1333 Requirements

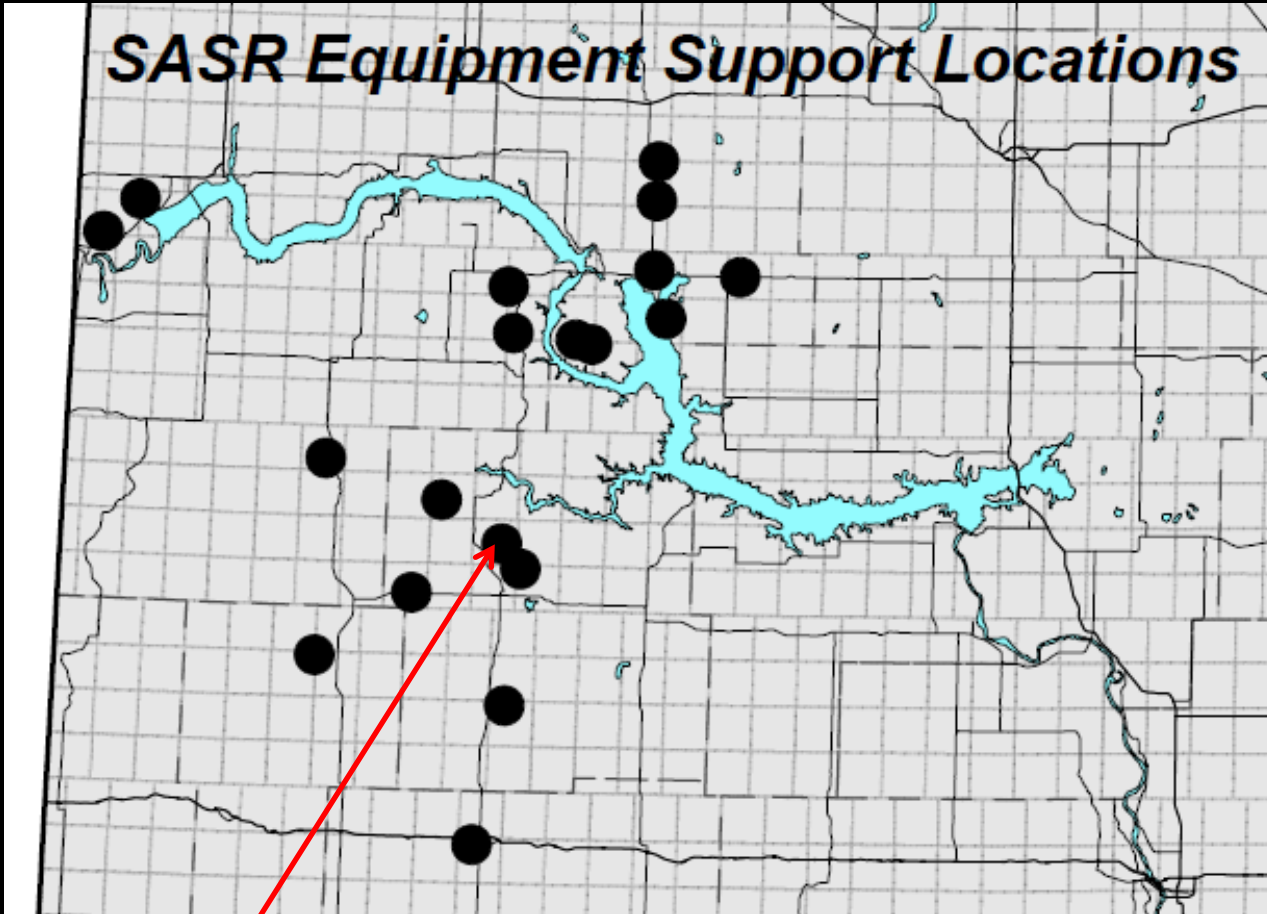
Increased O&GD Responsibility to Respond to Illegal Dumping Incidents

Activities in Progress:

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Sakakawea Area Spill Response (SASR)



- Active SASR members include:
- Slawson Exploration Co.
 - Hess Corp.
 - Whiting Oil & Gas Corp.
 - Marathon Oil Co.
 - Bridger Pipeline, LLC
 - Enbridge Pipelines (ND) LLC
 - WPX Energy Williston
 - Continental Resources, Inc.
 - Enerplus Resources USA Corp.
 - Bakken Link Pipeline LLC-

*Function: To share and make available spill response and containment equipment
not a spill responder

Pre-Deployed - Spill Response Resources include:

2-28' Spill Response Trailers (boom, skimmers, generators, absorbent)

2-Response boats (available to member companies)

1-Winter spill response equipment trailer (ice and frozen conditions response)

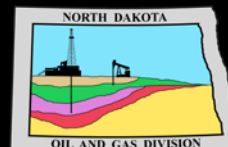
SASR Industry Contacts: Jason.Tuhy@whiting.com jsatterwhite@marathonoil.com



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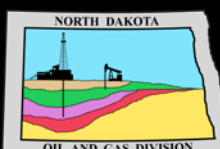


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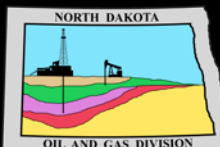


Abandoned Oil & Gas Well Plugging and Site Reclamation Fund (AWPSRF) Program

Program activities to date include:

- Creation of an O&GD AWPSRF Program team:
 - Department and Division Leadership, Program Manager, Field Supervisor, Reclamation Specialist, District Field Coordinators and 3 Field Inspectors in each district office (specially trained and equipped for initial site identification and review).
- Received and reviewing eleven cases to date for program applicability and reimbursement: 6.7 Million available in the fund (as of 12/31/13).
 - Approved reimbursement for two projects to date:
 - City of Williston – AWPSRF Case No. 1: \$12,061.14
 - McKenzie County – AWPSRF Case No. 7: \$2,161.10

-Since an environmental services provider has not been identified to date and reclamation actions were completed on these projects after the effective date of statute (July 1, 2013) reimbursement from the fund was deemed appropriate-



AWPSRF Program Reclamation Fund Review Process

ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND (AWPSRF) REVIEW

Effective 7/1/2013

Funds Request / Complaint Investigation 43-02-03-54 / Discovery by Inspector / Spill Response

AUTHORIZED USE OF FUND?

- 1) Plug an abandoned well
- 2) Reclaim an abandoned oil and gas or injection well site, saltwater disposal pit, drilling fluid pit, or access road put into service after 7/31/1983
- 3) Reclaim an oil and gas related pipeline or associated facility put into service after 7/31/1983
- 4) Reclaim damage from an illegal dumping incident,
- 5) Compensate a mineral owner's royalty share of confiscated oil

YES

NO

DO NOT FUND

LEAK OR SERIOUS THREAT?

Well, equipment, or pipeline leak, or dumping incident is likely to cause a serious threat of pollution or injury to public health or safety

NO

YES

USE AWPSRF
Unless responsible party is responding

NO RESPONSIBLE PARTY?

Company cannot be found, has no assets, or cannot be legally required to plug/re-plug/reclaim

YES

NO

COMPLAINT or
JUDGMENT ==>
RESPONSIBLE PARTY
CLEANS UP, PAYS, OR
REIMBURSES AWPSRF

NO BOND?

No bond or cost to plug/re-plug/reclaim exceeds the bond amount

YES

NO

CONFISCATE BOND,
EQUIPMENT, AND
OIL

USE ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND (AWPSRF)

Summary

In response to changes specified in HB 1149 and HB 1333 the Oil & Gas Division has:

- Modified our reporting and notification systems to contain the additional data elements required by these rules changes.
- Preparing requests for proposals to identify and select environmental services providers to provide support for response activities related to illegal dumping incidents and incidents involving SASR.
- Created an Abandoned Oil & Gas Well Plugging and Site Reclamation Fund (AWPSRF) Program team within the O&GD to provide regulatory oversight and review the applicability of funds reimbursement for costs associated with the reclamation of damages associated with illegal dumping cases.

