

**FIRST ENGROSSMENT  
with Senate Amendments**

Fifty-ninth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1344**

Introduced by

Representatives S. Meyer, Drovdal, Kempenich, Rennerfeldt

Senators Bowman, Wardner

1 A BILL for an Act to amend and reenact section 38-18.1-03 of the North Dakota Century Code,  
2 relating to termination of mineral interests.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 38-18.1-03 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **38-18.1-03. When mineral interest deemed to be used.**

7 1. A mineral interest is deemed to be used when:

8 ~~1.~~ a. There are any minerals produced under that interest.

9 ~~2.~~ b. Operations are being conducted thereon for injection, withdrawal, storage, or  
10 disposal of water, gas, or other fluid substances.

11 ~~3.~~ c. In the case of solid minerals, there is production from a common vein or seam  
12 by the owners of such mineral interest.

13 ~~4.~~ d. The mineral interest on any tract is subject to a lease, mortgage, assignment,  
14 or conveyance of the mineral interest recorded in the office of the recorder in  
15 the county in which the mineral interest is located.

16 ~~5.~~ e. The mineral interest on any tract is subject to an order or an agreement to  
17 pool or unitize, recorded in the office of the recorder in the county in which the  
18 mineral interest is located.

19 ~~6.~~ f. Taxes are paid on the mineral interest by the owner or the owner's agent.

20 ~~7.~~ g. A proper statement of claim is recorded as provided by section 38-18.1-04.

21 ~~8.~~ h. The owner or lessee utilizes the mineral interest in a manner pursuant to, or  
22 authorized by, the instrument creating the mineral interest.

23 2. The payment of royalties, bonus payments, or any other payment to a named or  
24 unnamed interest-bearing account, trust account, escrow account, or any similar

1           type of account on behalf of a person who cannot be located does not satisfy the  
2           requirements of this section and the mineral interest is not deemed to be used for  
3           purposes of this section. Interest on such account must be credited to the account  
4           and may not be used for any other purpose. A name or unnamed interest-bearing  
5           account, trust account, escrow account, or any similar type of account that has  
6           been in existence for three years is deemed to be abandoned property and must  
7           be treated as abandoned property under chapter 47-30.1. A lease given by a  
8           trustee remains valid.