

April 8, 2015

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1358

In lieu of the amendments adopted by the Senate as printed on pages 999 and 1000 of the Senate Journal, Reengrossed House Bill No. 1358 is amended as follows:

Page 1, line 3, after "reenact" insert "subsection 18 of section 38-08-02,"

Page 1, line 6, replace "pipeline bonds" with "pipelines"

Page 1, after line 10 insert:

**"SECTION 1. AMENDMENT.** Subsection 18 of section 38-08-02 of the North Dakota Century Code is amended and reenacted as follows:

18. "Underground gathering pipeline" means an underground gas or liquid pipeline ~~that~~with associated above ground equipment which is designed for or capable of transporting crude oil, natural gas, carbon dioxide, or water produced in association with oil and gas which is not subject to chapter 49-22. As used in this subsection, "associated above ground equipment" means equipment and property located above ground level, which is incidental to and necessary for or useful for transporting crude oil, natural gas, carbon dioxide, or water produced in association with oil and gas from a production facility. As used in this subsection, "equipment and property" includes a pump, a compressor, storage, leak detection or monitoring equipment, and any other facility or structure.

Page 1, line 15, replace "The operator of an" with "The application of this section is limited to an"

Page 1, line 15, after "pipeline" insert "that is"

Page 1, line 15, after "transfer" insert "crude"

Page 1, line 16, after "and" insert "which was"

Page 1, line 17, remove ", shall file with the commission engineering design drawings and a"

Page 1, remove lines 18 through 20

Page 1, line 21, remove "leak detection and monitoring technologies be installed by the operator of these pipelines"

Page 1, line 21, after the underscored period insert "Upon request, the operator shall provide the commission the underground gathering pipeline engineering construction design drawings and specifications, list of independent inspectors, and a plan for leak protection and monitoring for the underground gathering pipeline. Within sixty days of an underground gathering pipeline being placed into service, the operator of that pipeline shall file with the commission an independent inspector's certificate of hydrostatic or pneumatic testing of the underground gathering pipeline."

Page 2, line 25, replace "adversely affected" with "impacted"

Page 2, line 26, after "development" insert an underscored comma

Page 2, line 26, replace "which" with "that"

Page 2, line 29, after the underscored period insert "Land and water degraded by any willful act of the current or any former surface owner are not eligible for reclamation or restoration."

Page 3, line 24, replace "intended to transfer" with "transferring"

Page 4, line 7, remove "A surface owner may request a review of the temporarily abandoned"

Page 4, remove lines 8 through 10

Page 4, line 11, remove "review of the temporarily abandoned status every two years."

Page 4, line 22, after the period insert "A surface owner may request a review of the temporarily abandoned status of a well that has been on temporarily abandoned status for at least seven years. The commission shall require notice and hearing to review the temporarily abandoned status. After notice and hearing, the surface owner may request a review of the temporarily abandoned status every two years."

Page 4, line 27, replace "shall" with "may"

Page 4, line 28, replace "from" with "into"

Page 5, line 12, after "of" insert "crude oil and"

Page 5, line 19, after "of" insert "crude oil and"

Page 5, line 19, after "pipelines" insert ", determine the feasibility and cost effectiveness of requiring leak detection and monitoring technology on new and existing pipeline systems,"

Page 5, line 22, after "water" insert "and crude oil"

Page 5, line 23, remove "on pipeline flow monitoring"

Page 5, line 23, replace "working" with "pipeline"

Page 5, line 24, after "detection" insert "and monitoring"

Page 5, line 30, replace "removing" with "remediating"

Page 5, line 30, after "salt" insert "and any other contamination"

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment requires pipeline operators to file reports with the Industrial Commission within 60 days of placing the pipeline into service. This amendment also clarifies that pipelines are used to transport crude oil.