Dear Sirs:

RE: **2015 PROPOSED RULES AND DRAFT CONTROL TECHNIQUE GUIDELINES FOR THE OIL AND NATURAL GAS INDUSTRY**


The North Dakota Industrial Commission (NDIC) appreciates this opportunity to comment on the 2015 Proposed Rules and Draft Control Technique Guidelines for the Oil and Natural Gas Industry as follows:

The State of North Dakota is ranked 2nd in the United States among all states in the production of oil and gas. North Dakota produces approximately 400 million barrels of oil per year and 465 billion cubic feet of natural gas per year.

The NDIC, Department of Mineral Resources, Oil and Gas Division administers North Dakota’s comprehensive oil and gas regulations found at N.D. Admin. Code Chapter 43-02-03. These regulations include regulation of the drilling, producing, and plugging of wells; the restoration of drilling and production sites; the perforating and chemical treatment of wells, including hydraulic fracturing; the spacing of wells; operations to increase ultimate recovery such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into producing formations; disposal of saltwater and oil field wastes through the ND Underground Injection Control Program; and all other operations for the production of oil or gas.

The proposed rule could have significant impacts on North Dakota’s ability to administer its oil and gas regulatory program. The State of North Dakota intends to defend its sovereign jurisdiction over oil and gas regulation in any manner necessary.

The impacts of the proposed rule on North Dakota’s ability to administer its oil and gas regulatory program are explained below:
Conflicts with existing agreements between Three Affiliated Tribes and North Dakota: North Dakota regulations for natural gas capture have been enforced on the Fort Berthold Reservation under multiple tax and regulatory agreements between the state and tribes. The proposed rule will increase the number and complexity of conflicts with North Dakota regulations and the existing negotiated agreements.

The NDIC recommends that the proposed rule recognize and give deference to existing state and tribal agreements for natural gas permitting and regulation.

Sincerely,

North Dakota Industrial Commission

Jack Dalrymple, Chairman
Governor

Wayne Stenehjem
Attorney General

Doug Goehring
Agriculture Commissioner