

**GENERAL RULES AND REGULATIONS
FOR THE EXPLORATION, DEVELOPMENT
AND PRODUCTION OF
SUBSURFACE MINERALS**

North Dakota Industrial Commission

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RULES AND REGULATIONS

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PART 1 - STATUTE

North Dakota Century Code Chapter 38-12

REGULATION, DEVELOPMENT, AND PRODUCTION OF SUBSURFACE MINERALS

38-12-01	Definitions
38-12-02	Jurisdiction of commission
38-12-03	Permit required
38-12-04	Procedure
38-12-05	Penalty - Injunction - Provisions applicable

38-12-01. Definitions. As used in this chapter, unless the context otherwise requires:

1. “Commission” means the industrial commission of the state of North Dakota.
2. “Extraction facility” means any well or mine or other extractive process operated for the purpose of recovering subsurface minerals.
3. “Operator” means any person who, duly authorized, is in charge of the development of a lease or the operation of a producing property.
4. “Owner” means the person who has the right to explore for, develop, and produce subsurface minerals and to appropriate the subsurface minerals he produces either for himself or for himself and others.
5. “Person” means and includes any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any department, agency, or instrumentality of the state or of any governmental subdivision thereof; the masculine gender, in referring to a person, includes the feminine and the neuter genders.
6. “Producer” means the owner of an extraction facility which is or has been capable of producing subsurface minerals.
7. “Subsurface minerals” means all naturally occurring elements, and their compounds, volcanic ash, precious metals, carbonates, and natural mineral salts of boron, bromine, calcium, fluorine, iodine, lithium, magnesium, phosphorus, potassium, sodium, thorium, uranium, and sulfur, and their compounds, but does not include sand and gravel and rocks crushed for sand and gravel.

Source: S.L. 1967, ch. 289, § 1; 1975, ch. 314, § 2; 1979, ch. 397, § 1.

38-12-02. Jurisdiction of commission. The commission has jurisdiction and authority over all persons and property, public and private, necessary to enforce effectively the provisions of this chapter. Subject to the provisions of section 38-08-21, the state geologist shall act as a supervisor charged with the duty of enforcing the regulations and orders of the commission applicable to the subsurface mineral resources of this state and the provisions of this chapter. The commission has authority to make such investigations as it deems proper to deter-

mine whether facts exist which justify action by the commission. The commission acting through the office of the state geologist has the authority:

1. To require:
 - a. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the provisions of this chapter, and the rules and orders of the commission prescribed to govern the exploration, development, and production of subsurface minerals on state and private lands within the state of North Dakota. The person required to furnish the bond may elect to deposit a collateral bond, self-bond, cash, or any alternative form of security approved by the commission, or combination thereof, by which a permittee assures faithful performance of all requirements of this chapter and the rules and orders of the industrial commission.
 - b. The delivery, free of charge, to the state geologist of the basic exploration data collected by the operator, within thirty days of field collection of such data. This data must include:
 - (1) Sample cuts, core chips, or whole cores.
 - (2) Sample logs, radioactivity logs, resistivity logs, or other types of electrical or mechanical logs.
 - (3) Elevation and location information on the data collection points.
 - (4) Other pertinent information as may be requested by the state geologist.

The data so submitted shall be confidential for a period of one year when so requested by the operator and such period may be further extended upon approval by the commission.
 - c. The filing of monthly production reports in the manner prescribed by the commission, any other reports deemed necessary by the commission.
 - d. The conducting of all exploration, development, and production operations in such a manner as to prevent pollution of freshwater supplies, to provide for the protection of the environment and public safety, and to ensure the optimum recovery of the mineral resource.
 - e. The reclamation of all land disturbed by operations regulated by this chapter to a condition consistent with prior land use and productive capacity.
2. To regulate the drilling, and abandonment of exploration test holes and producing wells and all other exploration, development, production, and reclamation operations.
3. To promulgate and to enforce rules, regulations, and orders to effectuate the purposes and the intent of this chapter.
4. To inspect all exploration, development, and production sites. For the purposes of this subsection, the state geologist or his representative shall have access to all exploration, development or production installations for purposes of inspection and shall have the authority to require the operator's aid if same is necessary and is requested.

Source: S.L. 1967, ch. 289, § 2; 1975, ch. 314, § 3; 1979, ch. 397, § 2; 1987, ch. 428, §2.

38-12-03. Permit required. It is unlawful to commence operations for the exploration, development, or production of subsurface minerals without first obtaining a permit from the state geologist, under such rules and regulations as may be prescribed by the commission and paying to the commission a fee for each such permit in an amount to be prescribed by the commission.

Source: S.L. 1967, ch. 289, § 3; 1977, ch. 318, § 2; 1979, ch. 397, § 3.

38-12-04. Procedure. The administrative procedure involved in the adopting of any rules or regulations or the issuance of any orders by the commission under the provisions of this chapter must be in accordance with the provisions of chapter 38-08 governing the procedure in the administration of the Oil and Gas Conservation Act; provided, however, that in the event an emergency is found to exist by the commission which in its judgment requires the making, revoking, changing, amending, modifying, altering, enlarging, renewal or extension of a rule, regulation, or order without first having a hearing, such emergency rule, regulation, or order has the same validity as if a hearing with respect to the same had been held after due notice. The emergency rule, regulation, or order permitted by this section shall remain in force no longer than fifteen days from its effective date, and in any event, it expires when the rule, regulation, or order made after due notice and hearing with respect to the subject matter of such emergency rule, regulation, or order becomes effective.

Source: S.L. 1967, ch. 289, § 4.

38-12-05. Penalty - Injunction - Provisions applicable. The provisions of sections 38-08-16 and 38-08-17 are applicable to the provisions of this chapter and to the rules, regulations, and orders of the commission promulgated hereunder.

Source: S.L. 1967, ch. 289, § 5.

PART II - RULES AND REGULATIONS

North Dakota Administrative Code Chapter 43-02-02

SUBSURFACE MINERAL EXPLORATION AND DEVELOPMENT

43-02-02-01. Definitions. The terms used throughout this chapter have the same meaning as in North Dakota Century Code chapter 38-12.1, except:

1. “Completion” means when the well is capable of producing subsurface minerals through wellhead equipment from the ultimate producing zone after casing has been run.
2. “Deep well” means any hole drilled below one thousand feet [304.8 meters] to explore for, develop, or produce subsurface minerals.
3. “Deposit” means an underground concentration containing a common accumulation of subsurface minerals.
4. “Field” means the general area underlaid by a concentration of subsurface minerals. Field also includes the geological formation containing such subsurface minerals.
5. “Log or well log” means a systematic, detailed, and correct record of formations encountered in the drilling of a well, and includes commercial electrical logs and similar records.
6. “Nonhydrocarbon gas” means all naturally occurring gaseous elements and compounds except hydrocarbons and carbon dioxide as regulated under North Dakota Century Code chapter 38-08.
7. “Operator” means any person or persons who, duly authorized, is in charge of the development of a lease or the operation of a producing property.
8. “Owner” means the person who has the right to drill into and produce from a mineral-bearing formation and to appropriate the subsurface minerals the person produces there from either for that person or others or for that person and others.
9. “Producer” means the owner of a well or wells capable of producing subsurface minerals.
10. “Product” means any commodity made from any subsurface mineral.
11. “Shallow well” means any hole drilled to a total depth of less than one thousand feet [304.8 meters] for the purpose of developing or producing subsurface minerals.
12. “Testhole” means any hole drilled to a total depth of less than one thousand feet [304.8 meters] for the purpose of gathering information on subsurface minerals.

13. "Waste" means and includes (a) physical waste, (b) operations which cause or tend to cause unnecessary or excessive surface loss, and (c) operations that do not recover all of the mineral being mined that is technically and economically possible.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-02. Scope of chapter. This chapter is of statewide application and has been adopted by the industrial commission to conserve the natural resources of North Dakota to prevent waste and to provide for operation in a manner as to protect correlative rights of all owners of subsurface minerals. Special rules, field rules, and regulations and orders have been and will be issued when required and shall prevail as against this chapter if in conflict therewith. However, wherever this chapter does not conflict with special rules heretofore or hereafter adopted, this chapter will apply in each case. The commission may grant exceptions to this chapter, after due notice and hearing, when such exceptions will result in the prevention of waste and operation in a manner to protect correlative rights.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-03. Promulgation of rules, regulations, or orders. No rule, regulation, or order, including change, renewal, or exception thereof, shall, in the absence of an emergency, be made by the commission, except after a public hearing on at least ten days' notice given in the manner and form as may be prescribed by law. The public hearing shall be held at such time, place, and in such manner as may be prescribed by the commission, and any person having any interest in the subject matter of the hearing shall be entitled to be heard.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-04. Emergency rule, regulation, or order. In the event an emergency is found to exist by the commission which in its judgment requires the making, revoking, changing, amending, modifying, altering, enlarging, renewing, or extending of a rule, regulation, or order without first having a hearing, such emergency rule, regulation, and order shall have the same validity as if a hearing with respect to the same had been held after due notice. The emergency rule, regulation, or order permitted by this section shall remain in force no longer than fifteen days from its effective date, and in any event, it shall expire when the rule, regulation, or order made after due notice and hearing with respect to the subject matter of such emergency rule, regulation, or order becomes effective.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-05. Enforcement of laws, rules, and regulations dealing with exploration, development, and production of subsurface minerals. The commission, its agents, representatives, and employees are charged with the duty and obligation of enforcing all rules and statutes of the state of North Dakota relating to the exploration, development, and production of subsurface minerals. However, it shall be the responsibility of all owners or operators to obtain information pertaining to the regulation of subsurface minerals before operations have begun. As a matter of practice, operators shall take precautions to prevent waste and damage to mineral-bearing formations, and shall take such action as may be needed to avoid, minimize, or repair soil erosion, and to avoid pollution of air, surface water, and ground water.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-06. United States government leases. The commission recognizes that all persons drilling on United States government land or United States minerals shall comply with the federal regulations. Such persons shall also comply with all applicable state rules and regulations which are not in conflict with federal regulations. Copies of the sundry notices and reports on wells and the well log of the wells on United States government land or minerals shall be furnished to the state geologist at no expense to the state geologist.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-07. Forms upon request. Forms for written notices, requests, and reports required by the commission will be furnished upon request. These forms shall be of such nature as prescribed by the commission to cover proposed work and to report the results of completed work.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-08. Authority to cooperate with other agencies. The commission may from time to time enter into arrangements with state and federal government agencies, committees from industry, and individuals with respect to special projects, services, and studies relating to subsurface minerals.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-09. Organization reports. Every person acting as principal or agent for another or independently engaged in the drilling for, or any operation pertaining to, subsurface minerals in the state of North Dakota shall immediately file with the state geologist the name under which the business is being conducted or operated, the name and post-office address of such person, the business or businesses in which the person is engaged, the plan of organization, and in case of a corporation, the law under which it is chartered, the names under which it is chartered, and names and post-office addresses of any officials thereof. In each case where the business is conducted under an assumed name, the reports shall show the names and post-office addresses of all owners in

addition to the other information required. A new report shall be filed whenever there is a change in any of the information required on the report.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-10. Record of permits. The state geologist shall maintain an official permit list in which shall be entered:

1. The name of the permit holder.
2. The permit number.
3. The date the permit was issued.
4. The location of the permit.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-11. Bond. Before any person receives a permit to explore for or produce subsurface minerals, the person shall submit to the commission and obtain its approval of a bond, in a form approved by the commission, conditioned as provided by law. Each such bond shall be executed by a responsible surety company authorized to transact business in North Dakota.

The amount of the bond shall be commensurate with the number of wells and the type of project. The amount of a bond shall be as follows:

1. Single shallow well or testhole - five thousand dollars.
2. Blanket bond for fifty or less shallow wells or testholes - fifty thousand dollars.
3. Single deep well - twenty-five thousand dollars.
4. Blanket bond for ten or less deep wells - one hundred thousand dollars.
5. Bond for strip mining - two thousand dollars per acre [.40 hectare].

Liability on the bond is conditioned on compliance with North Dakota Century Code chapter 38-12 and the rules and orders of the commission, and continues until either of the following occurs:

1. The testholes or wells have been satisfactorily plugged as provided in this chapter, the sites restored and approved by the state geologist, and all logs, plugging records, and other pertinent data required by statute or rules and orders of the commission are filed and approved.
2. The mined lands or lands disturbed by any method of exploration or production of subsurface minerals have been restored and approved by the state geologist.
3. The liability on the bond has been transferred to another bond and such transfer approved by the commission. The transferee of any well or the operator of any well is responsible for the plugging of any such well and for that purpose shall submit a new bond or produce the written consent of the surety of the original or prior plugging bond that the latter's responsibility shall continue. The original or

prior bond may not be released as to the plugging responsibility of any such transferor until the transferee submits to the commission an acceptable bond to cover such well. All liability on bonds continues until the plugging of such well or wells and the restoration of the surface is completed and approved.

The commission shall advise the surety and the principal when liability on a bond is terminated.

The state geologist is vested with the power to act for the commission as to all matters within this section.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-12. Permit required. A permit shall be required prior to commencement of operations for the exploration or evaluation of subsurface minerals. The state geologist may grant a permit for one year upon receipt of a permit application on a form provided by the commission, the furnishing of a bond as provided in section 43-02-02-11, and the payment of a fee of twenty-five dollars for each permit.

1. A permit shall be required for each deep well not included in an approved mining plan, and the application for such permit shall be accompanied by a plat prepared by a qualified person showing the exact location and elevation of the well.
2. A permit shall be required for each testhole drilling program exploring for subsurface minerals. The area to be explored shall be outlined on the application and the permit shall be valid only in the area so outlined.

The state geologist may deny an application for permit if the drilling of a well or other exploration operation would violate correlative rights or would cause, or tend to cause, waste, damage to the environment, damage to mineral-bearing formations, or damage to nonmineral resources. The applicant may appeal the decision of the state geologist to the commission.

General Authority: NDCC 38-12-03
Law Implemented: NDCC 38-12-03

43-02-02-13. Well location. No well drilled for solution mining of subsurface minerals shall be located closer than five hundred feet [152.4 meters] from the boundary line of property owned or leased by the operator except by order of the commission. However, a well may be drilled three hundred feet [91.44 meters] from such boundary if the operator submits geological and other technical data to the commission which indicates that waste would occur and that correlative rights will not be violated. The term boundary line as used herein is understood to mean the boundary of a contiguous set of properties either owned or leased by the operator.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-14. Sign on wells. Every exploratory deep well shall be identified by a sign, posted on the derrick or not more than twenty feet [6.10 meters] from such well, and such signs shall be of durable construction and the lettering thereon shall be kept in a legible condition and shall be large enough to be legible under normal conditions at a distance of fifty feet [15.24 meters]. The wells on each lease or property shall be numbered in a nonrepetitive, logical sequence. Each sign will show the number of the well, the name of the lease (which shall be different or distinctive for each lease), the name of the lessee, owner, or operator, permit number, and the location by quarter-quarter section, section, township, and range. Where wells producing subsurface minerals are closely spaced on the surface, this requirement shall be satisfied by one general sign giving the name of the lease, the name of the lessee, owner, or operator, permit number, and the location by quarter-quarter section, section, township, and range, provided this sign is visible from the individual wells. In this case, a sign showing the number of the well will be posted on each well.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-15. Pits for drilling fluid and drill cuttings. In order to assure a supply of proper material or mud-laden fluid to confine oil, gas, water, or any subsurface mineral to their native strata during the drilling of any well, each operator shall provide, before drilling is commenced, a pit of sufficient size to contain said material or fluid, and the accumulation of drill cuttings. Such pits located in permeable material shall be lined in a manner approved by the state geologist.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-16. Sealing off strata. During the drilling and operation of any well for subsurface minerals, all strata above the producing horizon shall be sealed or separated where necessary in order to prevent their contents from passing into other strata.

All fresh waters and waters of present or probable value for domestic, commercial, or stock purposes shall be confined to their respective strata and shall be adequately protected by methods approved by the commission. Special precautions shall be taken in drilling and abandoning wells to guard against any loss of artesian water from the strata in which it occurs, and the contamination of artesian water by objectionable water or subsurface minerals.

All water shall be shut off and excluded from the various subsurface mineral-bearing strata which are penetrated. Water shutoffs shall ordinarily be made by cementing casing or landing casing with or without the use of mud-laden fluid.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-17. Casing and tubing requirements. All wells drilled for subsurface minerals shall be completed with strings of casing which shall be properly cemented at sufficient depths adequately to protect the subsurface mineral-bearing strata to be produced.

Sufficient cement shall be used on surface casing to fill the annular space back of the casing to the bottom of the cellar or to the surface of the ground. All strings of casing shall stand cemented under pressure for at least twelve hours before drilling plug or initiating tests. The term under pressure as used herein will be complied with if one float valve is used or if pressure is otherwise held. Cementing shall be by the pump and plug method, or other method approved by the commission.

All production wells shall be equipped with tubing and packer and the annulus pressure must be monitored to detect leaks or breaks in the casing or tubing, unless the entire casing string is cemented to surface when initially set in place.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-18. Defective casing or cementing. In any well that appears to have defective casing, be faultily cemented, or have corroded casing which will permit or may create underground waste or pollution, the operator shall proceed with diligence to use the appropriate method and means to eliminate such hazard. If waste cannot be eliminated, the well shall be properly plugged and abandoned.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-19. Blowout prevention. When drilling on lands valuable or potentially valuable for oil and gas, drilling equipment shall be equipped with blowout control devices before penetrating any formation, strata, or zone that might contain oil and gas.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-20. Safety regulation. When coming out of the hole with drill pipe, drilling fluid shall be circulated until equalized and subsequently drilling fluid level shall be maintained at a height sufficient to control subsurface pressures. During the course of drilling, blowout preventers shall be tested at least once every twenty-four-hour period, and the test noted in driller's record.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-21. Well and lease equipment. Wellhead equipment with a working pressure at least equivalent to the calculated or known pressure to which the equipment may be subjected shall be installed and maintained in first-class condition so that tests may be made easily. Valves shall be installed and maintained in good working order to permit pressure readings to be obtained on both casing and tubing.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-22. Completion report and basic data collected. Within thirty days after the completion of any well drilled for subsurface minerals, or the completion of an exploration program for subsurface minerals, a completion report shall be filed with the state geologist, on a form prescribed by the commission.

The following basic data developed by the operator shall be delivered, free of charge, to the state geologist, if requested, within six months of the expiration date of the permit:

1. Washed and packaged sample cuts, core chips, or whole cores minus those portions of cores used for necessary testing or analysis in which case the results of testing, the analysis and the description of missing portions shall be submitted to the state geologist upon request.
2. Sample logs, radioactivity logs, resistivity logs, or other types of electrical or mechanical logs.
3. Elevation and location information on the data collection points.
4. Other pertinent information as may be requested by the state geologist.

When requested by the operator, the data submitted shall be confidential for a period of one year commencing on the expiration date of the permit. Such period may be further extended upon approval of the commission.

Data on a particular stratum restricted to that stratigraphic interval containing the actual ore, which is being explored, developed, or mined, shall be confidential as long as the operator is exploring, developing, or producing from that particular stratum within the general area being explored, developed, or mined by the operator. The general area, as used herein, shall be defined jointly by the state geologist and the operator. Definition of the stratigraphic interval will be made by the state geologist. Data from the stratigraphic interval will, at the discretion of the state geologist, be retained in the North Dakota office of the operator during the period of confidentiality. The industrial commission and the state geologist shall have access to all confidential data.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-22.1. Determination of well potential. After the completion or recompletion of a nonhydrocarbon gas well, the operator shall conduct tests to determine the daily open flow potential of the well. The test results together with an analysis of the gas must be reported to the state geologist within thirty days after completion of the well.

Operators shall conduct tests to determine the daily open flow potential volumes of gas wells from which gas is being used or marketed in accordance with an order of the commission or at the request of the state geologist. Test procedures must be those commonly used in the industry unless otherwise approved by the state geologist.

History: Effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-23. Notice of intention to abandon. Notice of intention to abandon any well shall be filed with the state geologist by the operator or the operator's agent prior to the commencement of plugging operations, on a form prescribed by the commission, which notice shall state the name and location of the well and the name of the operator. In case of abandonment of any well, the operator may commence plugging by giving reasonable notice to, and securing approval from, the office of the state geologist as to the time plugging operations are to begin. This section shall not apply to testholes.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-24. Method of plugging. Before any well or testhole is abandoned, it shall be plugged in a manner which will confine permanently all subsurface minerals, oil, gas, and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement, and plugs, used singly or in combination as may be approved by the state geologist. Casing shall be cut off three feet [.91 meters] below the surface of the ground. The top plug in any hole shall be set at least three feet [.91 meters] below ground level, and the land surface shall be restored as nearly as possible to its original condition.

A well may be abandoned temporarily upon approval of the state geologist. In such event, casing may not be pulled and a plug must be placed at the top of the casing, in such manner as to prevent the intrusion of any foreign matter into the well.

When drilling or production operations have been suspended for six months, wells must be plugged and abandoned in accordance with regulations of the commission unless a permit for temporary abandonment has been obtained from the state geologist.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-25. Wells to be used for freshwater. Repealed effective August 1, 1986.

43-02-02-26. Liability. The owner of any well shall be liable and responsible for the plugging thereof in accordance with the rules and regulations of the commission.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-27. Earthen pits. All earthen pits used during the drilling of a well shall be filled and leveled within a reasonable time after the completion of the well. Earthen pits, except those necessary for the drilling of a well, shall not be used for any purpose without the prior approval of the state geologist.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-28. Preservation of cores and samples. Sample cuttings of formations, taken at regular intervals, in all wells drilled for subsurface minerals or geological information in North Dakota, shall be washed and packaged in standard sample envelopes which in turn must be placed in proper order in a standard sample box carefully identified as to operator, well name, and location, and depth of sample, and shall be shipped free of cost to the state geologist, if requested.

The operator of any well drilled for subsurface minerals in North Dakota shall, during the drilling of, or immediately following the completion of, any given well advise the state geologist, or the state geologist's representative, of all intervals that are to be cored, or have been cored. All cores taken shall be preserved and forwarded to the state geologist, free of cost, unless specifically exempted by the state geologist. If the state geologist does not desire the core, the operator shall advise the state geologist of the final disposition of the core.

This section does not prohibit the operator from taking such samples of the core as the operator may desire for identification and testing. The operator shall furnish the state geologist with the results of identification or testing procedure.

History: Amended effective October 1, 1990.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-29. Mining plan. Before conducting any mining or production operations, the operator shall submit to the state geologist for approval a mining plan which shall show in detail the proposed development or mining operations to be conducted. Mining plans shall be consistent with and responsive to the requirements of not only this chapter but also statutes and rules for the protection of nonmineral resources, and for the reclamation of the surface of the lands affected by the operations. No operations shall be conducted except under an approved plan. Those portions of a mining plan which contain information which is proprietary to a specific company's mining methods shall be retained at that company's office located nearest the mining site, and shall be approved by the state geologist and open to inspection by the state geologist and the industrial commission at all times. In the event of disagreement as to what constitutes proprietary information, it shall be resolved by the company, the state geologist, and the industrial commission. All portions of the mining plan which provide for the protection of natural resources, other than the mineral being mined, and for the reclamation of the surface shall be filed in the office of the state geologist.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-30. Report of production. The operator of each and every well or mine shall, on or before the tenth day of the second month following the month in which production occurs, file with the state geologist a sworn statement showing the amount of production made by each such well or mine during the month. The term mine includes the case where multiple closely spaced wells are used to mine a deposit, and in such case production will be reported from the mine rather than from each individual well. Multiple closely spaced wells means where more than one well is used to produce subsurface minerals in each eighty-acre [32.37-hectare] subdivision of the mine.

Production data submitted to the state geologist shall be kept confidential for a period of one year when so requested by the operator. Such period may be further extended upon approval by the commission.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-31. Report of water injected. The operator of each and every injection well shall, on or before the tenth day of the second month following the month in which injection occurs, file with the state geologist a sworn statement showing the amount of liquid injected, the composition of the liquid, and the source thereof.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-32. Pollution by saltwater. All saltwater liquids or brines produced shall be disposed of without pollution of freshwater supplies. Disposal shall be in accordance with an order of the commission, after hearing. At no time shall saltwater liquids or brines be allowed to flow over the surface of the land or into streams. Pits shall not be constructed within natural surface drainage channels and, before any saltwater liquid or brine is placed in the pit, any pit which is bottomed in permeable materials, such as sand or gravel, shall be lined with an impermeable material. The commission shall have the authority to condemn any pit which does not properly impound such water.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-33. Investigative powers. Upon receipt of a complaint from any landowner, royalty owner, mineral owner, local or federal official, in the official's official capacity, or any member of the state legislative assembly, in the legislator's official representative capacity, or any other interested party, alleging drilling or production operations which are in violation of the statutes or any rule, regulation, or order of the commission, the state geologist shall immediately cause an investigation of such complaint to be made. The state geologist may also conduct such investigations on the geologist's own initiative or at the direction of the commission. If after such investigation the state geologist affirms that cause for complaint exists, the state geologist shall cause written notice of the results of the investigation to be mailed to the operator of the drilling or production operation and shall forthwith notify the commission, in writing, of the investigation. The commission shall institute such legal proceedings as, in its discretion, it believes necessary to enjoin further activities resulting in the violation complained of.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-34. Additional information may be required. This chapter shall not be taken or construed to limit or restrict the authority of the industrial commission to require the furnishing of such additional reports, data, or other information relative to production or products in North Dakota as may appear to be necessary or desirable, either generally or specifically for the prevention of waste and the conservation of natural resources of North Dakota.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-35. Books and records to be kept to substantiate reports. All producers within North Dakota shall make and keep appropriate books and records for a period not less than five years, covering their operations in North Dakota from which they may be able to make and substantiate the reports required by this chapter.

General Authority: NDCC 38-12-02
Law Implemented: NDCC 38-12-02

43-02-02-36. Public hearing. Except as provided for herein, before any rule, regulation, or order shall be made, including revocation, change, renewal, or extension thereof, a public hearing shall be held at the time, place, and manner as may be prescribed by the commission.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-37. Institute proceedings. The commission, upon its own motion, and the attorney general, on behalf of the state, and any operator, producer, taker, or other person interested in any common source of supply of subsurface minerals may institute proceedings. The commission shall have jurisdiction to make any and all orders, rules, and regulations authorized by laws of this state.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-38. Application for hearing. In any proceeding instituted upon application, the application shall be signed by the applicant or by the applicant's attorney. An application shall state (1) the name and general description of the common source or sources of supply affected by the order, rule, or regulation sought, if any, unless same is intended to apply to and affect the entire state, in which event the application shall so state, and such statement shall constitute sufficient description; and (2) briefly the general nature of the order, rule, or regulation sought in the proceedings.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-39. Filing application for hearing. When an application is filed, it shall be set for hearing before the commission at such time as will permit ten days' notice thereof to be given, as provided in section 43-02-02-40.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-40. Notice of hearings. Upon the institution of a proceeding by application, the commission shall give at least ten days' (except in emergency) notice of the time and place of hearing thereon by one publication of such notice in newspapers of general circulation published at Bismarck, North Dakota, and in the county where the land affected or some part thereof is situated, unless in some particular proceeding a longer period of time or a different method of publication is required by law, in which event such period of time and method of publication shall prevail. The notice shall issue in the name of the state and shall be signed by the chairman or secretary of the commission, and shall conform to the other requirements provided by law. In case an emergency is found to exist by the commission which in its judgment requires for the making of a rule, regulation, or order without first having a hearing, such emergency rule, regulation, or order shall have the same validity as if a hearing with respect to the same had been held after notice. The emergency rule, regulation, or order permitted by this section shall remain in force no longer than fifteen days from its effective date, and in any event, it shall expire when the rule, regulation, or order made after due notice and hearing with respect to the subject matter of such emergency rule, regulation, or order becomes effective.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-41. Application for rehearing. Within thirty days after the entry of any order or decision of the commission or the state geologist, any person affected thereby may file with the commission an application for rehearing in respect of any matter determined by the order or decision, setting forth the respect in which the order or decision is believed to be erroneous. The commission shall grant or refuse any such application in whole or in part within fifteen days after it is filed. In the event the rehearing is granted, the commission may enter such new order or decision after rehearing as may be required under the circumstances.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-42. Burden of proof. Repealed effective August 1, 1986.

43-02-02-43. Designation of examiners. The commission may by motion designate and appoint qualified individuals to serve as examiners. The commission may refer any matter or proceeding to any legally designated and appointed examiner for hearing in accordance with this chapter.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-44. Matters to be heard by examiner. Repealed effective August 1, 1986.

43-02-02-45. Powers and duties of examiner. The commission may, by motion, limit the powers and duties of the examiner in any particular case to such issues or to the performance of such acts as the commission deems expedient. However, only to such limitation as may be ordered by the commission, the examiner to whom any matter or proceeding is referred under this chapter shall have full authority to hold hearings on such matter or proceeding in accordance with and pursuant to this chapter. The examiner shall have the power to regulate all proceedings before the examiner and to perform all acts and take all measures necessary or proper for the efficient and orderly conduct of the hearing, including the swearing of witnesses and receiving of testimony and exhibits offered in evidence, subject to such objections as may be imposed, and shall cause a complete record of the proceedings to be made and retained.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-46. Matters heard by the commission. Repealed effective August 1, 1986.

43-02-02-47. Examiner shall be disinterested umpire. An examiner conducting a hearing under this chapter shall conduct oneself as a disinterested umpire.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-48. Report of examiner. Upon the conclusion of any hearing before an examiner, the examiner shall promptly consider the proceedings in such hearings, and based upon the record of such hearing, the examiner shall prepare a report and recommendations for the disposition of the matter or proceeding by the commission. The report and recommendations shall either be accompanied by a proposed order or shall be in the form of a proposed order, and shall be submitted to the commission.

History: Amended effective August 1, 1986.
General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-49. Commission order from examiner hearing. After receipt of the report and recommendation of the examiner, the commission shall enter its order disposing of the matter or proceeding.

General Authority: NDCC 38-12-04
Law Implemented: NDCC 38-12-04

43-02-02-50. Hearing de novo before commission. Repealed effective August 1, 1986.

PART III -- APPENDIX

Summary of Forms

- FORM 1-sm EXPLORATION PERMIT APPLICATION -- SUBSURFACE MINERALS.
This form is to be used for a multiple well or test-hole exploration program.
- FORM 1A-sm SUBSURFACE MINERALS WELL PERMIT APPLICATION.
This form is to be used for a single well exploration program or a single well production program.
- FORM 2-sm SUBSURFACE MINERALS ORGANIZATION REPORT.
This form satisfies Rule 43-02-02-09.
- FORM 3-sm SUBSURFACE MINERALS SINGLE SHALLOW WELL BOND.
This form is to be used for a single shallow well or test-hole exploration program.
- FORM 3A-sm SUBSURFACE MINERALS SHALLOW WELL BLANKET BOND.
This form is to be used for a multiple shallow well or test-hole exploration or production program.
- FORM 3B-sm SUBSURFACE MINERALS SINGLE DEEP WELL BOND.
This form is to be used for a single deep well exploration or production program.
- FORM 3C-sm SUBSURFACE MINERALS DEEP WELL BLANKET BOND.
This form is to be used for a multiple deep well exploration or production program.
- FORM 4-sm SUBSURFACE MINERALS SUNDRY NOTICES AND REPORTS.
This form is to be used for filing notices of intention and reports of activity that may be required by the rules and regulations.
- FORM 5-sm REPORT OF MINERAL PRODUCTION.
This form satisfies Rules 43-02-02-30 and 43-02-2-31.
- FORM 6-sm SUBSURFACE MINERALS EXPLORATION PROGRAM COMPLETION REPORT.
This form satisfies part of Rule 43-02-02-22 for a multiple well or test-hole exploration program.
- FORM 6A-sm SUBSURFACE MINERALS WELL COMPLETION REPORT.
This form satisfies part of Rule 43-02-02-22 for a single well production program.
- FORM 7-sm SUBSURFACE MINERALS WELL PLUGGING RECORD.
This form satisfies part of Rule 43-02-02-11.

INSTRUCTIONS TO FILL OUT SUBSURFACE MINERALS FORMS

FORM 1-sm - Exploration Permit Application Subsurface Minerals

The North Dakota Geological Survey will retain three copies of this completed form. In submitting the form for approval prepare a sufficient number of copies to provide the amount your organization requires. **BE SURE FORM IS COMPLETE.**

Unless the form is complete it will be returned without approval. No operations shall be commenced until the approved application is received.

This form must be accompanied by the \$100 permit fee.

FORM 1A-sm - Subsurface Minerals Well Permit Application

The office of the State Geologist will retain copies of this completed form. In submitting the form for approval prepare a sufficient number of copies to provide the amount your organization requires. **BE SURE FORM IS COMPLETE.**

The signature of the person preparing the form is required two places; on the line marked 'BY', and again on the line in the acknowledgment marked 'NAME'. The acknowledgment must be notarized.

On the line marked 'NAME OF LEASE OWNER' should be inserted the name of the person or company which holds the lease on the land and/or the mineral included in the drilling unit.

On the line marked 'NAME OF FEE OWNER' should be stated the name of the person or organization holding the principal royalty interest. Unless otherwise state this is the name under which the well will be carried in the files of the Industrial Commission. If some other designation is desired by the operator this should be noted under remarks on the line so designated. After the permit has been issued a fee of \$25 is required before a change in the well name can be made.

Unless the form is complete it will be returned without approval. **NO OPERATIONS FOR THE DRILLING OF THE WELL SHALL BE COMMENCED UNTIL THE APPROVED APPLICATION IS RECEIVED.**

This form must be accompanied by the \$100 permit fee and a plat of the location.

FORM 4-sm - Subsurface Minerals Sundry Notices and Reports

In submitting the form for approval prepare a sufficient number of copies to provide the amount your organization requires.

BE SURE THAT THE FORM IS COMPLETE. Unsigned forms will be returned.

In the space headed 'DETAILS OF WORK' should be included all pertinent information. The proposed work will not be approved if there is any doubt as to the compliance with the applicable rules.

EMERGENCY PROCEDURES: The rules of the Industrial Commission require that this notice be filed and approval given before the proposed operation is started. If a situation exists where this procedure would constitute an undue hardship verbal permission may be obtained to proceed but, in any case, the form must be filed. Such verbal permission to proceed may be obtained from the Field Inspector in the District or from the office of the State Geologist if unable to contact the Field Inspector.

After the proposed operation is completed a report of the results of the operation must be filed where required by the applicable rules.

FORM 5-sm - Report of Mineral Production

The information shown on this form must be accurate and complete. If any amounts shown are the result of estimates they should be so indicated. The completed form must be notarized.

FORM 6-sm - Subsurface Minerals Exploration Program Completion Report

Within 30 days after the completion of the well, the operator shall file 3 copies of this form with the State Geologist.

FORM 6A-sm - Subsurface Minerals Well Completion Report

Within 30 days after the completion of the well, the operator shall file 3 copies of this form with the State Geologist.

FORM 7 sm - Subsurface Minerals Well Plugging Record

Within 30 days after the plugging of any well has been accomplished, the owner or operator thereof shall file 3 copies of this form with State Geologist, setting forth in detail the method used in plugging the well.

Be sure the form is complete and properly notarized.

BE SURE ALL FORMS ARE COMPLETE.

BE SURE YOU HAVE READ AND THOROUGHLY UNDERSTAND THE RULES AND REGULATIONS OF THE NORTH DAKOTA INDUSTRIAL COMMISSION.

FILE 3 COPIES OF ALL FORMS WITH THE:

**State Geologist
600 East Boulevard Avenue
Bismarck, ND 58505-0840**

North Dakota State Industrial Commission

EXPLORATION PERMIT APPLICATION

SUBSURFACE MINERALS

Date _____, 20____

OPERATOR: _____

(Name) (Address)

DRILLING CONTRACTOR: _____

(Name) (Address)

SEND PERMIT TO: _____

(Name) (Address)

Approximate Starting Date: _____ Approximate Completion Date: _____

Permit Area (area of exploration): TWPS. _____
RGS. _____

Approximate Number of Holes: _____ (A list of exact location of test holes is to be attached to this application or submitted as soon as known.)

Drilling Methods: Rotary, fluid water _____; air _____; water mist _____

Remarks: _____

Logging Program: Gamma _____; Density _____; S.P. _____
Resistivity _____; Caliper _____; None _____

Remarks: _____

Coring Program: _____

Sampling Program: _____

Plugging Procedures: _____

Dated this _____ day of _____, 20 ____ By _____

STATE OF _____ } ss
COUNTY OF _____

I, _____, being first duly sworn on oath, state that I am the _____ of _____ and have knowledge of the facts and matter herein set forth and that the same are true and correct. SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 20____

PERMIT NO. _____
APPROVED _____

NOTARY PUBLIC, COUNTY OF _____
STATE OF _____
My Commission Expires _____

BY _____

North Dakota State Industrial Commission

SUBSURFACE MINERALS

WELL PERMIT APPLICATION

DATE _____, 20____

NAME _____
(Operator) (Driller)

SEND PERMIT TO: STREET _____ CITY _____ STATE _____

DESCRIPTION OF LEASE

NAME OF LEASE OWNER _____

NAME OF FEE OWNER _____ ACRES IN LEASE _____ WELL NO. _____

SEC. _____ TWP. _____ RANGE _____ COUNTY _____ FIELD _____

Distance from proposed location to (N) (S) Section Line _____ feet and distance from (E) (W) Section Line _____ feet.

Date well will be spudded _____. Depth to which propose to drill _____ feet.

Acres in drilling unit _____. Elevation of (ground) (KB) (DF) above sea level _____ feet.

REMARKS _____

DATED THIS _____ DAY OF _____, 20____ BY _____

(Office)

OPERATOR

STATE OF _____
COUNTY OF _____ } ss

I, _____ being first duly sworn on oath, state that I am the _____
_____ of _____ and have knowledge of the facts and matter herein
set forth and that the same are true and correct.

NAME _____ TITLE _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 20____

PERMIT NO. _____

APPROVED _____ NOTARY PUBLIC, COUNTY OF _____

DENIED _____ STATE OF _____

BY _____ My Commission Expires _____
(State Geologist)

North Dakota State Industrial Commission

SUBSURFACE MINERALS

ORGANIZATION REPORT

1. Full name of company, organization, or individual _____

2. Post office address _____
(Street or Box) (City) (State) (Zip)

3. Form and purpose of the organization _____

State whether corporation, a joint stock association, firm or partnership _____ also

state the purpose of the organization, whether producer, pipe line, refiner, etc. _____

If foreign corporation, give (1) State where incorporated; (2) Name and post office address of North Dakota agent; (3) Date of permit to do business in

NORTH DAKOTA _____

Post office address _____

4. OFFICERS	NAME	POST OFFICE ADDRESS
TRUSTEE	_____	_____
TRUSTEE	_____	_____
PRESIDENT	_____	_____
VICE PRESIDENT	_____	_____
_____	_____	_____
SECRETARY	_____	_____
TREASURER	_____	_____

5. DIRECTORS	NAME	POST OFFICE ADDRESS
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. Is this a reorganization? _____ If so, what was the previous organization? _____

DATED THIS _____ DAY OF _____, 20____.

EXECUTED THIS _____ DAY OF _____, 20____.

STATE OF _____ } ss _____ (Company or Operator)

COUNTY OF _____ (Signature) (Title)

Before me the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he/she is authorized to make this report and has knowledge of the facts stated herein and that said report is true and correct.

Subscribed and sworn to before me this the _____ day of _____, 20____.

My commission expires _____

Notary Public in and for _____

Approved _____, 20____.

By _____

**SUBSURFACE MINERALS
SINGLE SHALLOW WELL BOND
NORTH DAKOTA STATE INDUSTRIAL COMMISSION
OFFICE OF STATE GEOLOGIST**

BOND NO. _____

KNOW ALL MEN BY THESE PRESENTS, that _____
as principal, whose address is _____
and _____ as surety, whose address is _____
_____ incorporated in the State of _____
_____ and authorized to do business in the State of North
Dakota, for and in consideration of the granting of permits to drill, and/or approval of the transfer of producing properties
pursuant to Chapter 38-12 NDCC and amendments thereto, and the rules and regulations adopted by the Industrial Commission
of the State of North Dakota in the sum of five thousand (\$5,000) lawful money of the United States, to be paid to the State of North
Dakota, for which payment, well and truly to be made, we bind ourselves and each of us, and each of our successors and assigns,
jointly and severally, by these presents.

The condition of the foregoing obligation is such that, whereas the said principal is desirous of drilling, or becoming the operator
of one (1) shallow well or testhole to explore for or produce subsurface minerals within the State of North Dakota, and has made
application for permit to do so.

NOW THEREFORE, if said principal, in its operations after the execution of permit or approval of the transfer of producing
properties by the Industrial Commission of the State of North Dakota shall fully comply with said Chapter 38-12 NDCC and
amendments thereto, and the Rules and Regulations of the Industrial Commission of the State of North Dakota prescribed to
govern the exploration and production of subsurface minerals on State and Private lands within the State of North Dakota, then
and in that event the above obligation shall be void, otherwise to remain in full force and effect.

PRINCIPAL: _____

ADDRESS: _____

TELEPHONE NO.: _____

BY: _____ TITLE _____

Dated this _____ day of _____, 20____.

*If an individual doing business under a firm name, so state, giving both names, and
the individual signing shall designate himself as sole owner. If a partnership, so
state, and at least one general partner of such partnership must sign. If a corpora-
tion, the full corporate name must be used and the execution must be by an officer of
the corporation. Any other person executing for the principal or surety must attach
a power of attorney.*

SURETY: _____

ADDRESS: _____

TELEPHONE NO.: _____

BY: _____ TITLE _____

Dated this _____ day of _____, 20____.

**SUBSURFACE MINERALS
SHALLOW WELL BLANKET BOND
NORTH DAKOTA STATE INDUSTRIAL COMMISSION
OFFICE OF STATE GEOLOGIST**

BOND NO. _____

KNOW ALL MEN BY THESE PRESENTS, that _____
as principal, whose address is _____
and _____ as surety, whose address is _____
_____ incorporated in the State of _____
_____ and authorized to do business in the State of North
Dakota, for and in consideration of the granting of permits to drill, and/or approval of the transfer of producing properties
pursuant to Chapter 38-12 NDCC and amendments thereto, and the rules and regulations adopted by the Industrial Commission
of the State of North Dakota in the sum of fifty thousand (\$50,000) lawful money of the United States, to be paid to the State of
North Dakota, for which payment, well and truly to be made, we bind ourselves and each of us, and each of our successors and
assigns, jointly and severally, by these presents.

The condition of the foregoing obligation is such that, whereas the said principal is desirous of drilling, or becoming the operator
of fifty (50) or less shallow wells or testholes to explore for or produce subsurface minerals within the State of North Dakota, and
has made application for permit to do so.

NOW THEREFORE, if said principal, in its operations after the execution of permit or approval of the transfer of producing
properties by the Industrial Commission of the State of North Dakota shall fully comply with said Chapter 38-12 NDCC and
amendments thereto, and the Rules and Regulations of the Industrial Commission of the State of North Dakota prescribed to
govern the exploration and production of subsurface minerals on State and Private lands within the State of North Dakota, then
and in that event the above obligation shall be void, otherwise to remain in full force and effect.

PRINCIPAL: _____

ADDRESS: _____

TELEPHONE NO.: _____

BY: _____ TITLE _____

Dated this _____ day of _____, 20_____.

*If an individual doing business under a firm name, so state, giving both names, and
the individual signing shall designate himself as sole owner. If a partnership, so
state, and at least one general partner of such partnership must sign. If a corpora-
tion, the full corporate name must be used and the execution must be by an officer of
the corporation. Any other person executing for the principal or surety must attach
a power of attorney.*

SURETY: _____

ADDRESS: _____

TELEPHONE NO.: _____

BY: _____ TITLE _____

Dated this _____ day of _____, 20_____.

**SUBSURFACE MINERALS
SINGLE DEEP WELL BOND
NORTH DAKOTA STATE INDUSTRIAL COMMISSION
OFFICE OF STATE GEOLOGIST**

BOND NO. _____

KNOW ALL MEN BY THESE PRESENTS, that _____
as principal, whose address is _____
and _____ as surety, whose address is _____
_____ incorporated in the State of _____
_____ and authorized to do business in the State of North Dakota, for
and in consideration of the granting of permits to drill, and/or approval of the transfer of producing properties pursuant to Chapter
38-12 NDCC and amendments thereto, and the rules and regulations adopted by the Industrial Commission of the State of North
Dakota in the sum of twenty-five thousand (\$25,000) lawful money of the United States, to be paid to the State of North Dakota,
for which payment, well and truly to be made, we bind ourselves and each of us, and each of our successors and assigns, jointly
and severally, by these presents.

The condition of the foregoing obligation is such that, whereas the said principal is desirous of drilling, or becoming the operator
of one (1) deep well to explore for or produce subsurface minerals within the State of North Dakota, and has made application for
permit to do so.

NOW THEREFORE, if said principal, in its operations after the execution of permit or approval of the transfer of producing
properties by the Industrial Commission of the State of North Dakota shall fully comply with said Chapter 38-12 NDCC and
amendments thereto, and the Rules and Regulations of the Industrial Commission of the State of North Dakota prescribed to
govern the exploration and production of subsurface minerals on State and Private lands within the State of North Dakota, then
and in that event the above obligation shall be void, otherwise to remain in full force and effect.

PRINCIPAL: _____
ADDRESS: _____
TELEPHONE NO.: _____
BY: _____ TITLE _____
Dated this _____ day of _____, 20_____.

*If an individual doing business under a firm name, so state, giving both names, and
the individual signing shall designate himself as sole owner. If a partnership, so
state, and at least one general partner of such partnership must sign. If a corpora-
tion, the full corporate name must be used and the execution must be by an officer of
the corporation. Any other person executing for the principal or surety must attach
a power of attorney.*

SURETY: _____
ADDRESS: _____
TELEPHONE NO.: _____
BY: _____ TITLE _____
Dated this _____ day of _____, 20_____.

**SUBSURFACE MINERALS
DEEP WELL BLANKET BOND
NORTH DAKOTA STATE INDUSTRIAL COMMISSION
OFFICE OF STATE GEOLOGIST**

BOND NO. _____

KNOW ALL MEN BY THESE PRESENTS, that _____
as principal, whose address is _____
and _____ as surety, whose address is _____
_____ incorporated in the State of _____
_____ and authorized to do business in the State of North
Dakota, for and in consideration of the granting of permits to drill, and/or approval of the transfer of producing properties
pursuant to Chapter 38-12 NDCC and amendments thereto, and the rules and regulations adopted by the Industrial Commission
of the State of North Dakota in the sum of one hundred thousand (\$100,000) lawful money of the United States, to be paid to the
State of North Dakota, for which payment, well and truly to be made, we bind ourselves and each of us, and each of our successors
and assigns, jointly and severally, by these presents.

The condition of the foregoing obligation is such that, whereas the said principal is desirous of drilling, or becoming the operator
of ten (10) or less deep wells to explore for or produce subsurface minerals within the State of North Dakota, and has made
application for permit to do so.

NOW THEREFORE, if said principal, in its operations after the execution of permit or approval of the transfer of producing
properties by the Industrial Commission of the State of North Dakota shall fully comply with said Chapter 38-12 NDCC and
amendments thereto, and the Rules and Regulations of the Industrial Commission of the State of North Dakota prescribed to
govern the exploration and production of subsurface minerals on State and Private lands within the State of North Dakota, then
and in that event the above obligation shall be void, otherwise to remain in full force and effect.

PRINCIPAL: _____

ADDRESS: _____

TELEPHONE NO.: _____

BY: _____ TITLE _____

Dated this _____ day of _____, 20_____.

*If an individual doing business under a firm name, so state, giving both names, and
the individual signing shall designate himself as sole owner. If a partnership, so
state, and at least one general partner of such partnership must sign. If a corpora-
tion, the full corporate name must be used and the execution must be by an officer of
the corporation. Any other person executing for the principal or surety must attach
a power of attorney.*

SURETY: _____

ADDRESS: _____

TELEPHONE NO.: _____

BY: _____ TITLE _____

Dated this _____ day of _____, 20_____.

North Dakota State Industrial Commission

SUBSURFACE MINERALS

SUNDRY NOTICES AND REPORTS

Refer to Permit No. _____

1. Notice of Intention to Drill or Redrill		7. Report of Redrilling or Repair	
2. Notice of Intention to Change Plans		8. Supplementary History	
3. Notice of Intention to Pull Casing		9.	
4. Notice of Intention to Abandon Well		10.	
5. Report of Water Shut-Off		11.	
6. Report of Casing		12.	

(Indicate nature of notice by proper check mark in space above)

NAME OF WELL (MINE) _____ Date 20_____
 WELL NO. _____ is located _____ ft. from (N) (S) line and _____ ft. from the(E) (W)
 line of section _____ Township _____ Range _____ in _____
 County _____ Field Pool. The elevation of the _____ is
 _____ feet above sea level.

Name and Address of Contractor or Company which will do work is:

(DETAILS OF WORK)

(State names of, and expected depth of objective sands; show sizes, weight, and lengths of proposed casing, indicate mud weights, cementing points, and all other details of work.)

Company _____
 Address _____
 By _____
 Title _____

Do no write in this space

Approved _____ 20_____
 By _____
 Title _____

North Dakota State Industrial Commission

SUBSURFACE MINERALS

WELL COMPLETION REPORT

Permit No. _____

Date _____

Operator: _____

Address: _____

Well Designation _____ Well No. _____

Location _____ section _____ Twp _____ N. Rge _____ W. Elevation _____

Date Well Spudded _____ Date Well Completed _____

List Electric or other logs run _____

Total Depth _____ Producing Formation _____

Intervals Cored _____

Disposition of Cores _____

CASING RECORD

Size	Put in Well		Left in Well		No. Sacks	Size	Put in Well		Left in Well		No. Sacks
	Ft.	In.	Ft.	In.	Cement		Ft.	In.	Ft.	In.	Cement

EXECUTED THIS _____ DAY OF _____, 20____.

(Company or Operator)

STATE OF _____

}ss

(Signature)

(Title)

COUNTY OF _____

Before me the undersigned authority, on this day personally _____ appeared known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he/she is authorized to make this report and has knowledge of the facts stated herein and that said report is true and correct.

Subscribed and sworn to before me this the _____ day of _____, 20____.

My Commission expires _____ Notary Public in and for _____

**North Dakota State Industrial Commission
SUBSURFACE MINERALS
WELL PLUGGING RECORD**

Refer to Permit No. _____

OPERATOR _____
PERMIT NO. _____ LEASE NAME _____ WELL NO. _____
LOCATION: (¼ ¼) _____ SEC _____ TWP _____ RGE _____
ELEVATION _____ (D.F., G.R., K.B.) COUNTY _____
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO _____
STREET _____ CITY _____ STATE _____ ZIP _____
DATE WELL WAS SPUDDED _____ DATE WELL WAS PLUGGED _____

TOTAL DEPTH _____

ELECTRIC OR OTHER LOGS RUN? _____

WAS THIS WELL CORED? _____ IF SO, GIVE INTERVALS _____

DISPOSITION OF CORES _____

WAS THE WELL FILLED WITH MUD LADEN FLUID, ACCORDING TO REGULATIONS OF THE STATE INDUSTRIAL COMMISSION? _____ HOW WAS MUD APPLIED? _____ WERE PLUGS USED? _____ IF SO, SHOW ALL CASING, SIZES AND LENGTHS OF CASING, SIZE AND KIND OF PLUGS USED, AND DEPTHS PLACED. ALSO AMOUNT OF CEMENT USED.

EXECUTED THIS _____ DAY OF _____, 20_____. _____
(Company or Operator)

STATE OF _____ } ss _____ (Signature) _____ (Title)
COUNTY OF _____

Before me the undersigned authority, on this day personally appeared known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he/she is authorized to make this report and has knowledge of the facts stated herein and that said report is true and correct.

Subscribed and sworn to before me this the _____ day of _____, 20_____. _____

My Commission expires _____ Notary Public in and for _____

NOTICE

SUBSURFACE MINERALS

Name of Operator _____

Permit Number _____

BASIC DATA REQUIRED AS PROVIDED FOR IN RULE 111 OF THE GENERAL RULES AND REGULATIONS FOR THE EXPLORATION, DEVELOPMENT, AND PRODUCTION OF SUBSURFACE MINERALS.

The following data are to be forwarded to the State Geologist:

1. Packaged sample cuts (are) (are not) to be collected and forwarded from (all) (selected) test holes. Include samples from _____

2. (All) (Designated) cores. See Rule 111.

3. All sample logs, radioactivity logs, resistivity logs, or any other mechanical or electrical logs.

4. Elevation and location of all data points and test holes.

5. The results of analysis of all water samples collected.

6. All hydrological data acquired.

Note: The operator is encouraged to collect hydrologic and water quality data during exploration as they will be required prior to the approval of any mining plan.