

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 18588
ORDER NO. 20890

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF GRIT INDUSTRIES INC. FOR AN ORDER ALLOWING A BOILER TO BE LOCATED CLOSER THAN 150 FEET TO OIL TANKS AS AN EXCEPTION TO THE REQUIREMENTS OF SECTION 43-02-03-28 OF THE NORTH DAKOTA ADMINISTRATIVE CODE, OR FOR SUCH OTHER RELIEF AS IS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 26th day of September, 2012.
- (2) Grit Industries Inc. (Grit) made application for an order allowing a boiler to be located closer than 150 feet to oil tanks as an exception to the provisions of North Dakota Administration Code (NDAC) Section 43-02-03-28, or for such other relief as is appropriate.
- (3) Pursuant to NDAC Section 43-02-03-28, no boiler shall be placed nearer than 150 feet to any producing well or oil tank, although placement as close as one hundred twenty-five feet may be allowed if a flame arrestor is utilized on the equipment.
- (4) Grit has developed a boiler system that utilizes a flame arrested heater to provide indirect heat through a heating coil in which a water/glycol mix is heated and circulated under a vacuum. The coil can be mounted inside an oil tank or installed in a treater in lieu of a conventional fire tube.
- (5) Grit's system has been approved by Canadian regulators and approximately 60 units have been placed into service over a period of three years by oil producers in Canada without any incidents.
- (6) Installing Grit's system within the area of primary containment for oil tanks could compromise the safety of the system should volatile fluids be introduced into such containment area. Provisions for safeguards are necessary to protect the public's health, safety, and welfare.

(7) There were no objections to this application.

(8) Approval of this application will not compromise the safety of the location and will result in economic and efficient development of the oil and gas resources in a manner that prevents waste and protects correlative rights.

IT IS THEREFORE ORDERED:

(1) The boiler heating system, identified under Paragraph (4) of the Findings, is hereby approved for use in North Dakota, as an exception to North Dakota Administrative Code Section 43-02-03-28, contingent upon the following stipulations:

- (a) No boiler system shall be located within the area of primary containment around any oil tank;
 - (b) No boiler system shall be located closer than 21 feet to an oil tank.
- (2) This order shall remain in full force and effect until further order of the Commission.

Dated this 24th day of October, 2012.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director