

From: [Joe Morton](#)
To: [Kyle McCallum](#); [Oil and Gas Leasing Rulemaking](#); [Tom Schultz](#)
Cc: [Senator Steven Thayn](#); alee@senate.idaho.gov; [Commissioners Bitticci, Elliott & Rekow](#) -
Subject: Re: Oil and Gas Leasing Rulemaking
Date: Thursday, July 14, 2016 12:05:51 PM

Dear Mike Murphy - Bureau Chief Endowment Leasing,

Please note that the process of notifying for "Split Estate Mineral Right Owners" of upcoming auctions is flawed.

I have discussed this issue with our State Legislature and the consensus for change is needed to protect surface property owners and giving them the right to develop their own minerals without the State leasing these rights for below market value.

Failure to provide language which protects split estate / surface owner rights will result in costly litigation for the state.

I urge you to add / require the same language used in Idaho Statute 47-320 to integrate as a notification process for Split Estate - Mineral Auction(s).

Noted below is suggestion for the proposed language:

A resume of efforts documenting the applicant's good faith efforts on at least two (2) separate occasions within a period of time no less than sixty (60) days to inform surface owners of the applicant's intention to lease the mineral resources in the proposed leasing area. Provided however, if any owner requests no further contact from the applicant, the applicant will be relieved of further obligation to attempt contact to reach agreement with that owner. At least one (1) contact must be by certified U.S. mail sent to a surface owner's last known address. If an owner is unknown or cannot be found, the applicant must publish a legal notice of its intention to lease and request that the surface owner contact the applicant in a newspaper in the county where the proposed lease auction is located.



Using the "Newspaper of General Circulation" for Public Mineral Right auctions does NOT properly notify Split Estate owner of State Owned Mineral Rights. This notification is only available to those who have a "paid" subscription.

Thank you in advance,

Joe Morton
Emmett, Idaho

On Tue, Jun 14, 2016 at 5:14 PM, Kyle McCallum <kmccallum@idl.idaho.gov> wrote:

Dear Interested Party:

At the May 17, 2016 State Board of Land Commissioner's (Land Board) regular meeting, the Land Board approved the promulgation of rulemaking for **IDAPA 20.03.16 - RULES GOVERNING OIL AND GAS LEASING ON IDAHO STATE LANDS**. The Idaho Department of Lands (IDL) intends to publish a Notice of Intent to Promulgate Rules-Negotiated Rulemaking in the July 2016 Administrative Bulletin.

As is implied by the title of IDAPA 20.03.16, these rules guide IDL in the issuance of oil and gas leases when IDL acts as the mineral/oil & gas estate owner on the behalf of the state beneficiaries (e.g. Public Schools) or administers the leasing process on behalf of other state agencies that have mineral/oil & gas ownership (e.g. Idaho Transportation Department). The following is a link to the existing rules: <http://adminrules.idaho.gov/rules/2014/20/0316.pdf>

Please note that this rulemaking process is **completely separate** in scope and schedule from the Negotiated Rulemaking Process currently being orchestrated by IDL's Resource and Protection Bureau (**20.07.02 - CONSERVATION OF OIL AND NATURAL GAS IN THE STATE OF IDAHO – Docket 20-0702-1601**).

IDL's Notice of Intent will be published in the July 2016 Administrative Bulletin. Currently we have meetings scheduled as follows:

Friday, July 15, 2016, 9:00a.m. MDT

Wednesday, July 20, 2016, 9:00 a.m. MDT

Capitol Building, Lincoln Auditorium, Room WW02

Lower Level, West Wing

700 W. Jefferson St.

Boise ID, 83720

Additional information will be available at the Department's website beginning July 6, 2016 <http://www.idl.idaho.gov/rulemaking/index.html>