

## **Negotiated Rulemaking Summary**

### **IDAPA 20.03.16, Rules Governing Oil and Gas Leasing on Idaho State Lands**

Docket No. 20-0316-2401

Following Executive Order 2020-01: Zero-Based Regulation, this rule chapter is scheduled for review during the 2025 legislative session.

IDAPA 20.03.16 provides guidance for oil and gas leasing on state lands. The proposed changes seek to comply with Executive Order 2020-01. The Department will begin the negotiated rulemaking process, including, but not limited to, legal and internal review of the rule, as well as review with stakeholders to ensure the rules provide appropriate guidance for lessees, interested parties, and the Department.

Negotiated rulemaking for these rules was approved by the Land Board on January 16, 2024. The Notice of Intent to Promulgate Rules – Zero-Based Regulation Negotiated Rulemaking was published in the Idaho Administrative Bulletin on March 6, 2024.

#### **Stakeholder Outreach**

The IDL's outreach for negotiated rulemaking included the following:

- Published the Notice of Negotiated Rulemaking in the Idaho Administrative Bulletin
- Created a rulemaking webpage to post documents, scheduling information, and comments (<https://www.idl.idaho.gov/rulemaking/docket-20-0316-2401/>)
- Posted rulemaking notices to Townhall Idaho
- Email and direct communication giving notice of negotiated rulemaking to stakeholders.

#### **Negotiated Rulemaking Public Meetings**

Negotiated rulemaking meetings were held on March 28 and April 10, 2024. A total of one, non-Department affiliated person attended these meetings.

Some discussion occurred regarding updating and clarification of rule language to reflect current industry language and practices.

#### **Written Comments**

Written comments were received from the Idaho Conservation League (ICL) and Snake River Oil and Gas. ICL expressed concerns over the removal of certain rule sections relating to lease provisions. Snake River Oil and Gas primarily suggested changes to rule language to better the leasing of pooled or unitized acreages.

These comments have been posted for public review.

## Concluding Negotiated Rulemaking

IDL concluded the negotiated rulemaking process and submitted the rule changes for publication as a proposed rule in the July 3, 2024, edition of the Idaho Administrative Bulletin. Key documents from the rulemaking record are available at <https://www.idl.idaho.gov/rulemaking/docket-20-0316-2401/>, including research materials, and the proposed rule text in legislative format to allow the reader to easily identify changes.

### Response to Comments on Negotiated Rule

IDAPA 20.03.16, Rules Governing Oil and Gas Leasing on Idaho State Lands

Comment	Rule Section	Response
Comment Highlight: "In order to preserve these important human health and environmental protections, we ask that Rule Subsections 58.02,03,06, and 08 be retained. Doing so retains the original intent of the Rules and avoids a scenario in which applicable Lease language is revised without public input to remove these protections." Please visit rulemaking webpage for full comment.	50.01-04, 08-10	IDL reviewed and these sections were retained, with minor revisions for clarity.
Comment Highlight: "Rule 22.02.b and .c contain the concept of extension of the lease beyond the primary term through continuing operations or production. I think Rule 55.03.b needs to be made consistent with 22.02. The draft revised rules at 55.03.b as currently written obligate the lessee to drill continuously without reference to the primary or extended term. Continuous drilling isn't possible at the beginning of the lease, because the lessee still needs to conduct geophysical operations in order to determine where to drill. 22.02 and 55.03 also lack the concept of operations on or production from pooled or unitized acreage." Please visit rulemaking webpage for full comment.	22.02.b,c 55.03.b	IDL reviewed and added language regarding pooled or unitized land to address this comment.