

STATE BOARD OF LAND COMMISSIONERS

August 20, 2024

Regular Agenda

Subject

Adoption of Pending Fee Rule, IDAPA 20.03.16 *Rules Governing Oil and Gas Leasing on Idaho State Lands*

Question Presented

Shall the Land Board adopt the pending fee rule for IDAPA 20.03.16?

Background

The Idaho Department of Lands (Department) administers an oil and gas leasing program on behalf of the State Board of Land Commissioners (Land Board) for state endowment lands and lands owned by other state agencies. These activities are authorized by Idaho Code Title 47, Chapter 8 – Oil and Gas Leases on State and School Lands. The adoption of related rules is authorized by Idaho Code § 47-802.

Following Executive Order 2020-01, Zero-Based Regulation, this rule chapter is scheduled to be repealed and replaced in 2024 for review during the 2025 legislative session.

The Department received Land Board approval on January 16, 2024 to enter negotiated rulemaking.

Discussion

The Department'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.
- Provided notice of negotiated rulemaking to stakeholders through email and direct communication.

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

Some discussion occurred regarding updating and clarification of rule language to reflect current industry language and practices. Written comments were received from the Idaho Conservation League and Snake River Oil and Gas. The Idaho Conservation League expressed concerns over the removal of certain rule sections relating to lease provisions. The Department chose not to remove the sections. Snake River Oil and Gas primarily suggested

changes to rule language to better the leasing of pooled or unitized acreages. The Department agreed the changes were appropriate.

A summary of negotiated rulemaking and submitted written comments is included as Attachment 1. No comments were received after publication of the Proposed Fee Rule (Attachment 2).

If approved by the Land Board, the Department will submit the Notice of Adoption of Pending Fee Rule (Attachment 3) to the Office of the Administrative Rules Coordinator for the 2025 legislative session.

Recommendation

Adopt the pending fee rule for IDAPA 20.03.16 *Rules Governing Oil and Gas Leasing on Idaho State Lands*.

Board Action

A motion was made by Superintendent Critchfield that the Land Board adopt the pending fee rule for IDAPA 20.03.16 *Rules Governing Oil and Gas Leasing on Idaho State Lands*. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

Attachments

1. Negotiated Rulemaking Summary
2. Notice of Rulemaking – Proposed Fee Rule with Rule Text
3. Draft Notice of Adoption of Pending Fee Rule

