



# Minnesota Pollution Control Agency (MPCA)-Recommendations Minnesota Gas Technical Advisory Committee (GTAC)

# Rules for Helium Exploration and Production in MN

- Regulatory gaps for nonpetroleum gas exploration and development in Minnesota
- Tax revenue
- Concerns over captured gas resources on state-managed mineral rights



# Enacted 2024 Legislation

- Authorization to lease
- Expedited rulemaking for gas production
- Moratorium on production of gas until rules adopted or legislature approves temporary permit framework
- For a Gas Technical Advisory Committee to make recommendations on a temporary regulatory framework for gas production to the legislature.

## Sec. 23. [93.513] PROHIBITION ON PRODUCTION OF GAS OR OIL WITHOUT PERMIT.

Subdivision 1. Permit required. Except as provided in section 103I.681, a person must not engage in or carry out production of gas or oil from consolidated or unconsolidated formations in the state unless the person has first obtained a permit for the production of gas or oil from the commissioner of natural resources. Any permit under this section must be protective of natural resources and require a demonstration of control of the extraction area through ownership, lease, or agreement. For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. For purposes of this section, "production" includes extraction and beneficiation of gas or oil.

Subd. 2. Moratorium. Until rules are adopted under section 93.514, the commissioner may not grant a permit for the production of gas or oil unless the legislature approves a temporary permit framework that allows issuance of temporary permits.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

## Sec. 24. [93.514] GAS AND OIL PRODUCTION RULEMAKING.

(a) The following agencies may adopt rules governing gas and oil exploration or production, as applicable:

(1) the commissioner of the Pollution Control Agency may adopt or amend rules regulating air emissions; water discharges, including stormwater management; and storage tanks as they pertain to gas and oil production;

(2) the commissioner of health may adopt or amend rules on groundwater and surface water protection, exploratory boring construction, drilling registration and licensure, and inspections as they pertain to the exploration and appraisal of gas and oil resources;

(3) the Environmental Quality Board may adopt or amend rules to establish mandatory categories for environmental review as they pertain to gas and oil production;

(4) the commissioner of natural resources must adopt or amend rules pertaining to the conversion of an exploratory boring to a production well, pooling, spacing, unitization, well abandonment, siting, financial assurance, and reclamation for the production of gas and oil; and

(5) the commissioner of labor and industry may adopt or amend rules to protect workers from exposure and other potential hazards from gas and oil production.

(b) An agency adopting rules under this section must use the expedited procedure in section 14.389. Rules adopted or amended under this authority are exempt from the 18-month time limit under section 14.125. The agency must publish notice of intent to adopt expedited rules within 24 months of the effective date of this section.

(c) For purposes of this section, "gas" includes both hydrocarbon and nonhydrocarbon gases. "Production" includes extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.

(d) Any grant of rulemaking authority in this section is in addition to existing rulemaking authority and does not replace, impair, or interfere with any existing rulemaking authority.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

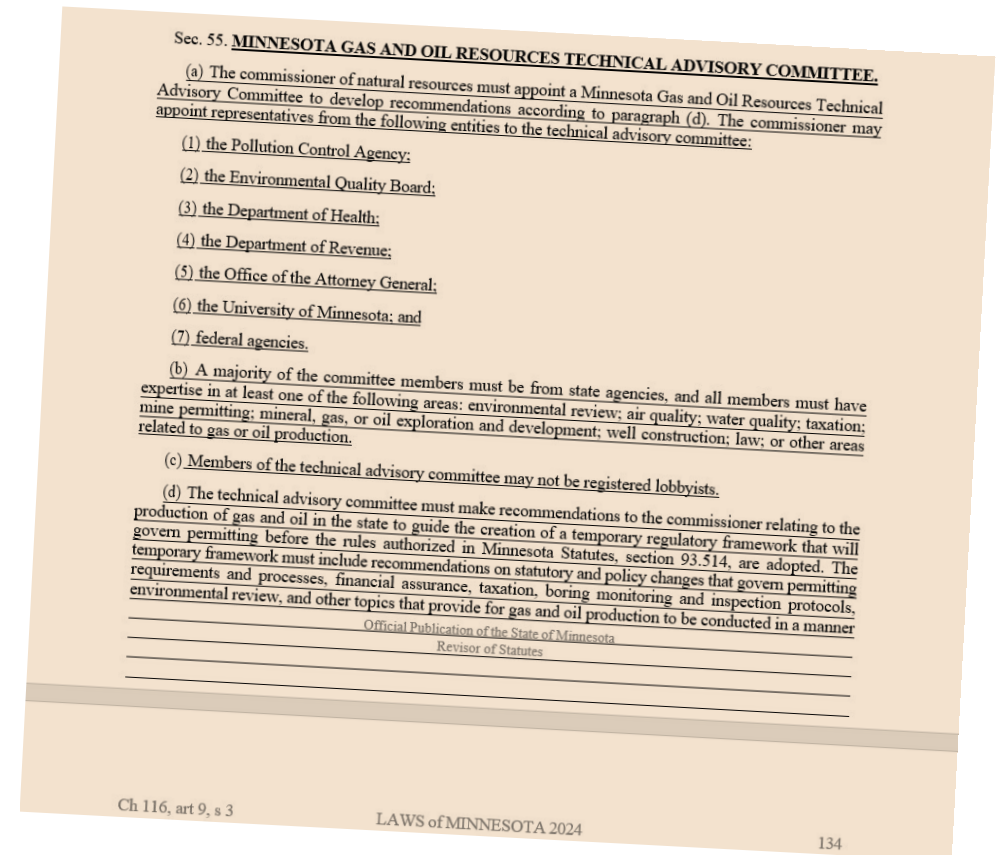
## Sec. 25. [93.516] GAS AND OIL LEASING.

Subdivision 1. Authority to lease. (a) With the approval of the Executive Council, the commissioner of natural

# GTAC's Required Recommendation Topics

GTAC was directed by the Minnesota legislature to make recommendations and create statutory language that would support a temporary regulatory framework for permitting gas resource development projects during rulemaking. The legislation requires GTAC to make recommendations on several specific topics.

- Permitting Requirements and Processes
- Financial Assurance
- Taxation
- Boring Monitoring and Inspection Protocols
- Environmental Review
- “Other topics that provide for gas and oil production to be conducted in a manner that will reduce environmental impacts to the extent practicable, mitigate unavoidable impacts, and ensure that the production area is restored...”



# MPCA's Draft GTAC Recommendations

The MPCA has submitted one recommendations within GTAC's draft compilation which addresses one of the required topics, Permitting Requirements and Processes

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## **RECLAMATION OF GAS RESOURCE DEVELOPMENT LOCATIONS**

### **93.5171 DECLARATION OF POLICY.**

*In recognition of the effects of the development of gas resources upon the environment, it is the policy of this state to provide for the reclamation of gas resource development locations, to control possible adverse environmental effects of the development of gas resources, and to encourage the planning of future land utilization, while at the same time recognizing the beneficial aspects of gas resource development.*

### **93.51711 DEFINITIONS**

*Subdivision 1. **Applicability.** For the purposes of sections 1 to XX, the terms defined in this section have the meanings given to them.*

*Subd. 2. **Commissioner.** "Commissioner" means the commissioner of natural resources.*

*Subd. 3. **Contingency reclamation plan.** "Contingency reclamation plan" means a plan that identifies reclamation activities, including closure and post closure maintenance work, that would be implemented by the permittee if operations ceased or if producing gas wells were idled for more than 36 months. This plan must include methods, sequence, and schedule of reclamation activities, maps and cross sections that depict gas resource development locations both before and after reclamation activities are completed, and cost estimates necessary to implement the contingency reclamation plan.*

*Subd. 4. **Corrective action.** "Corrective action" means the immediate actions that must be taken to correct observed violations of the gas resource development permit. Corrective action may consist of immediately curing the violation, or submitting, within two weeks, a corrective action plan for approval before the permittee implements the corrective action.*

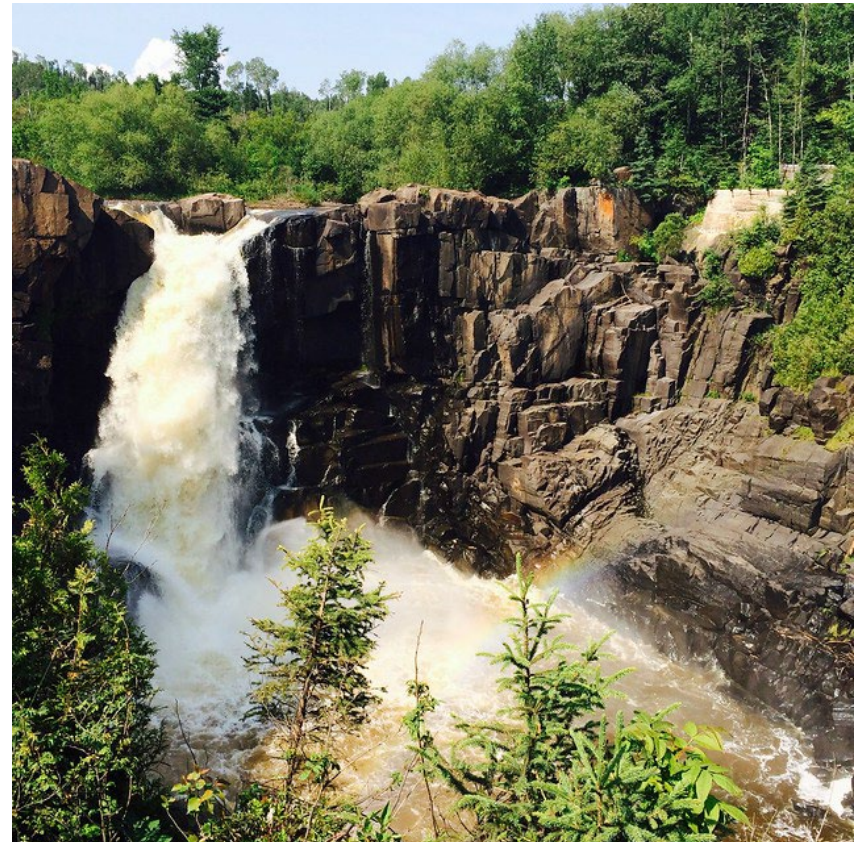
*Subd. 5. **Department.** "Department" means the Department of Natural Resources.*

*Subd. 6. **Exploration and Production Waste.** (E&P Waste) Exploration and Production Waste (E&P Waste) shall mean those wastes associated with operations to locate or remove gas from the*

# Permitting Requirements and Processes

Minnesota currently has rules and regulations in place to regulate the proposed gas production industry in a temporary and/or permanent framework. Following established rules and regulations will protect the environment and human health. Furthermore, the MPCA will comply with Minnesota Statute Section 10.65 which requires timely and meaningful consultation between the state and tribal governments on matters under MPCA's authority that may have Tribal implications.

- Water Quality Permits
  - Wastewater
  - Industrial Stormwater
  - Construction Stormwater
- Air Quality Permits
- Environmental Review
- Storage Tanks
- Solid Waste





For more information, see the MPCA's full writeup on its recommendation on the [Gas Production webpage](#) – Thank you!