

# Zero-Based Regulation Prospective Analysis

**Agency Name:** Idaho Department of Lands

**Rule Docket Number:** 20-0702-2401

20.07.02, Rules Governing Conservation of Oil and Natural Gas in the State of Idaho

**1. What is the specific legal authority for this proposed rule?**

Statute Section (include direct link)	Is the authority mandatory or discretionary?
<a href="#">Title 47, Chapter 3, Idaho Code, Oil and Gas Wells</a>	Mandatory

**2. Define the specific problem that the proposed rule is attempting to solve? Can the problem be addressed by non-regulatory measures?**

These rules are required for the Oil and Gas Conservation Commission to fulfill their duty to prevent waste, protect correlative rights, and prevent pollution of fresh water supplies during the exploration and production of oil and gas resources. The rules define and clarify the procedures for regulating oil and gas exploration and development activities on public and private lands in the state. The proposed changes seek to comply with Executive Order 2020-01. Revisions are also needed to better align the rules with statute revisions that occurred in 2017 and 2023.

Unregulated oil and gas development in the 1800’s and early 1900’s resulted in the pollution of surface waters, and thousands of abandoned wells that contaminated aquifers and cause continuing health and safety hazards for the general public. This early development also needlessly depleted reservoirs of the pressures needed to maximize oil and gas recovery, and often drained landowners without paying them royalties.

**3. How have other jurisdictions approached the problem this proposed rule intends to address?**

**a. Is this proposed rule related to any existing federal law?**

Federal citation	Summary of Law (include direct link)	How is the proposed Idaho rule more stringent? (if applicable)
Title 43 subpart 360	<a href="#">43 CFR 3160 Onshore Oil and Gas Order Number 1 Onshore Order #1, 2017 amendment</a>	Idaho is less stringent overall.

**b. How does this proposed rule compare to other state laws?**

State	Summary of Law (include direct link)	How is the proposed Idaho rule more stringent? (if applicable)
Washington	General Rules <a href="#">Chapter 344-12 WAC</a>	Idaho is less stringent overall
Oregon	Division 10 Oil & Gas Rules <a href="#">OAR 632-010</a>	Idaho is slightly less stringent overall
Nevada	Nevada Administrative Code <a href="#">NAC Chapter 522 Oil and Gas</a>	Idaho is similar overall, slightly less stringent with bonding.
Utah	Natural Resources <a href="#">Utah Administrative Rule R649</a>	Idaho is similar overall, slightly more stringent with bonding.
Wyoming	<a href="#">Wyoming Administrative Rules 055</a>	Idaho is slightly more stringent overall.
Montana	<a href="#">Montana Administrative Rule Chapter 36.22</a>	Idaho is similar overall, slightly more stringent with bonding.
Alaska	<a href="#">Alaska Administrative Code Title 20 Chapter 25</a>	Idaho is less stringent overall
South Dakota	<a href="#">South Dakota Administrative Rule Article 74:12</a>	Idaho is similar overall, slightly less stringent with bonding.

**c. If the Idaho proposed rule has a more stringent requirement than the federal government or the reviewed states, describe the evidence base or unique circumstances that justifies the enhanced requirement:**

While no changes are proposed, Idaho needs to maintain slightly more stringent bonding requirements due to a lack of infrastructure compared to more established producing states. Bringing equipment to the state to perform operations on wells can cost an additional \$50,000 or more based on recent well plugging bid costs. The extra charges reflect mobilization charges to and from Idaho from other states where this equipment is located.

**4. What evidence is there that the rule, as proposed, will solve the problem?**

No changes are proposed, but current bond levels should be maintained to cover the potential costs to the state in the event of a default by the operator.

**5. What is the anticipated impact of the proposed rule on various stakeholders? Include, how will you involve them in the negotiated rulemaking process?**

<b>Category</b>	<b>Potential Impact</b>
Fiscal impact to the state General Fund, any dedicated fund, or federal fund	No impacts to the General Fund or Oil & Gas Dedicated Fund are anticipated.
Impact to Idaho businesses, with special consideration for small businesses	No impacts to Idaho businesses are anticipated. Streamlining and clarification of processes may be beneficial to oil & gas operators who will be notified of the dates and locations of the Negotiated Rulemaking public meetings.
Impact to any local government in Idaho	No impacts to local governments are anticipated. One Negotiated Rulemaking public meeting will take place in Fruitland, Idaho near the current oil and gas activity. Notice will be provided to the county and local cities of the meeting.

**6. What cumulative regulatory volume does this proposed rule add?**

<b>Category</b>	<b>Impact</b>
Net change in word count	-1,268
Net change in restrictive word count	-74