

1.1 **Department of Natural Resources**

1.2 **Proposed Expedited Permanent Rules for Permitting Gas Resource Development**

1.3 **GENERAL PROVISIONS**

1.4 **6124.0100 DEFINITIONS.**

1.5 Subpart 1. **Applicability.** The terms used in parts 6124.0100 to 6124.5200 have the
1.6 meanings given in this part.

1.7 Subp. 2. **Commissioner.** "Commissioner" means the commissioner of natural
1.8 resources.

1.9 Subp. 3. **Contingency reclamation plan.** "Contingency reclamation plan" means a
1.10 plan, as described under part 6124.1000, subpart 7, that identifies reclamation activities that
1.11 will be implemented by the permittee if there is a permanent shutdown.

1.12 Subp. 4. **Corrective action.** "Corrective action" means the immediate action that must
1.13 be taken to correct an observed violation of a gas resource development permit.

1.14 Subp. 5. **Correlative rights.** "Correlative rights" means the right of each owner and
1.15 producer in a common pool or source of supply of gas resources to an equal opportunity to
1.16 obtain and produce the owner's or producer's just and equitable share of the gas resources
1.17 underlying the pool or source of supply.

1.18 Subp. 6. **Department.** "Department" means the Department of Natural Resources.

1.19 Subp. 7. **Financial assurance.** "Financial assurance" means the actions necessary to
1.20 fulfill the requirements under part 6124.1100.

1.21 Subp. 8. **Gas.** "Gas" means both hydrocarbon and nonhydrocarbon gas.

1.22 Subp. 9. **Gas resource.** "Gas resource" means an occurrence of gas of economic
1.23 interest within the Earth's crust that might be developed in commercial quantities, based on
1.24 its geologic setting, grade, and volume.

2.1 Subp. 10. Gas resource development. "Gas resource development" means the process
2.2 of extracting, producing, treating, or processing gas at a gas resource development location
2.3 from an identified gas resource.

2.4 Subp. 11. Gas resource development facility or facility. "Gas resource development
2.5 facility" or "facility" means improvements used or installed for gas resource development.

2.6 Subp. 12. Gas resource development location. "Gas resource development location"
2.7 means a definable area where gas resource development operations have disturbed or may
2.8 disturb the land surface.

2.9 Subp. 13. Gas resource development operations.

2.10 A. "Gas resource development operations" means:

2.11 (1) siting, drilling, deepening, recompleting, reworking, maintaining, or
2.12 abandoning a gas well;

2.13 (2) producing operations related to any gas well, including installing flowlines;

2.14 (3) separating and enriching extracted gases, except that separating and
2.15 enriching extracted gases excludes gas liquefaction facilities that are not colocated with gas
2.16 resource development facilities;

2.17 (4) generating, transporting, storing, treating, or disposing of production
2.18 wastes, except that transporting does not include using pipelines, common carriers, and
2.19 public transportation systems to transport material outside a gas resource development
2.20 location; and

2.21 (5) any construction, site preparation, or reclamation activities associated
2.22 with operations under subitems (1) to (4).

2.23 B. Gas resource development operations does not include activities associated
2.24 with exploratory borings that are regulated under Minnesota Statutes, section 103I.601.

3.1 Subp. 14. **Gas resource development permit.** "Gas resource development permit"
3.2 means approval issued by the commissioner to conduct gas resource development operations,
3.3 including the production of gas, as required by Minnesota Statutes, section 93.513,
3.4 subdivision 1.

3.5 Subp. 15. **Gas resource development plan.** "Gas resource development plan" means
3.6 a plan to conduct gas resource development operations that is approved by the commissioner.

3.7 Subp. 16. **Gas well.**

3.8 A. "Gas well" means an excavation that is constructed, deepened, recompleted,
3.9 reworked, maintained, or abandoned according to rules established or implemented by the
3.10 commissioner of health and as part of a gas resource development plan.

3.11 B. Gas well does not include exploratory borings regulated under Minnesota
3.12 Statutes, section 103I.601.

3.13 Subp. 17. **Interested party.** "Interested party" means a person with an ownership or
3.14 leasehold interest in real property or in severed mineral interests associated with a gas
3.15 resource development plan.

3.16 Subp. 18. **Natural resources.** "Natural resources" has the meaning given in Minnesota
3.17 Statutes, section 116B.02, subdivision 4.

3.18 Subp. 19. **Operator.** "Operator" means a person engaged in or preparing to engage
3.19 in gas resource development operations under an approved gas resource development plan.

3.20 Subp. 20. **Permittee.** "Permittee" means a person who holds a gas resource
3.21 development permit.

3.22 Subp. 21. **Person.** "Person" includes individuals, firms, partnerships, corporations,
3.23 and other groups.

4.1 Subp. 22. **Reclamation.** "Reclamation" means the actions necessary to fulfill the
4.2 requirements of parts 6124.2200 and 6124.2300.

4.3 Subp. 23. **Spacing order.** "Spacing order" means the commissioner's order that
4.4 allocates lands to a spacing unit.

4.5 Subp. 24. **Spacing unit.** "Spacing unit" means lands allocated by the commissioner
4.6 through a spacing order to a single gas well or multiple gas wells for developing gas resources
4.7 in accordance with part 6124.5200.

4.8 **6124.0200 PURPOSE AND POLICY.**

4.9 A. The purpose of parts 6124.0100 to 6124.5200 is to implement Minnesota
4.10 Statutes, section 93.513; to control possible adverse environmental effects of gas resource
4.11 development; to preserve natural resources; and to encourage future land-use planning,
4.12 while at the same time promoting the orderly development of gas resources, encouraging
4.13 good gas resource development practices, preventing waste, avoiding drilling unnecessary
4.14 wells, protecting the correlative rights of landowners, and recognizing the beneficial aspects
4.15 of gas resource development.

4.16 B. To accomplish the purposes of parts 6124.0100 to 6124.5200, it is the policy
4.17 of the department that gas resource development be conducted in a manner that reduces
4.18 impacts to the extent practicable, mitigates unavoidable impacts, and ensures that a gas
4.19 resource development location is left in a condition that protects natural resources.

4.20 **6124.0300 GENERAL REQUIREMENTS.**

4.21 Subpart 1. **Permit required.** A person may not conduct gas resource development
4.22 operations that extract commercial quantities of gas resources in the state without first
4.23 obtaining a gas resource development permit from the commissioner. All persons with
4.24 financial and operational decision-making authority over the gas resource development
4.25 operation must jointly hold the permit, including parent companies.

5.1 Subp. 2. **Regulatory oversight of gas wells.** A person conducting gas resource
5.2 development operations under a permit issued by the commissioner must comply with all
5.3 requirements established by the commissioner of health for drilling, deepening, recompleting,
5.4 reworking, maintaining, or abandoning gas wells.

5.5 Subp. 3. **Regulatory framework for gas wells required before construction.** A
5.6 permittee may not construct a gas well pursuant to a gas resource development permit until
5.7 rules are established by the commissioner of health for the drilling, deepening, recompleting,
5.8 reworking, maintaining, or abandoning of a gas well or a temporary regulatory framework
5.9 is established by law for regulating gas wells during that rulemaking.

5.10 Subp. 4. **Joint applications.** When two or more persons are or will be engaged in gas
5.11 resource development operations, all persons must join in the application, and the gas
5.12 resource development permit must be issued jointly.

5.13 Subp. 5. **Other rules, statutes, or ordinances.** Nothing in parts 6124.0100 to
5.14 6124.5200 waives the requirements of other applicable rules, statutes, or ordinances of a
5.15 state or federal agency or political subdivision, including any rules adopted by the
5.16 commissioner of health relating to the drilling, maintenance, and abandonment of gas wells.
5.17 All operators must comply with applicable federal, state, and local statutes and regulations,
5.18 including any rules adopted by the commissioner of health relating to drilling, maintenance,
5.19 and abandonment of gas wells.

5.20 Subp. 6. **Conversion of exploratory borings.** Exploratory borings that were completed
5.21 before July 1, 2025, may be used for gas resource development operations subject to
5.22 regulation under this chapter. Exploratory borings completed on or after July 1, 2025, may
5.23 not be converted into gas wells subject to regulation under this chapter.

6.1

PERMIT REQUIREMENTS

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6124.1000 PERMIT APPLICATIONS.

6.3

Subpart 1. **Preapplication conferences.** Before preparing an application for a gas resource development permit, a person intending to apply for a permit must meet with the commissioner for a preapplication conference. The purpose of the conference is to review proposed gas resource development operations and the proposed spacing unit and to provide direction on preparing an application for gas resource development and demonstrating that the applicant has control of the proposed spacing unit.

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Subp. 2. **Application form.** An application for a gas resource development permit must be submitted to the commissioner electronically and in duplicate hard copy.

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Subp. 3. **Eligibility.** A permit applicant must submit the following information to the commissioner:

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A. a copy of the certificate of authority to transact business in Minnesota if the applicant is a foreign corporation as defined in Minnesota Statutes, section 303.02;

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B. a certificate issued by an insurance company authorized to do business in the United States confirming that the applicant has a public liability insurance policy in force for developing gas resources for which the permit is sought, or evidence that the applicant has satisfied other state or federal self-insurance requirements, to provide personal injury and property damage protection in an amount adequate to compensate any persons who might be damaged as a result of the gas resource development operation;

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C. documents relating to financial assurance under part 6124.1100;

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D. documents relating to a proposed spacing unit under part 6124.5200;

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E. documents demonstrating the applicant's mineral leasehold or ownership and right to drill;

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7.1 F. documents demonstrating one or more surface use agreements specifically
7.2 authorizing the applicant's surface occupancy and use for gas resource development; and

7.3 G. any other information requested by the commissioner that is necessary to
7.4 determine eligibility for a gas resource development permit.

7.5 Subp. 4. **Organizational structure.** The applicant must submit:

7.6 A. the mailing address of the applicant;

7.7 B. the organizational structure of the applicant, including identification of any
7.8 parent companies, owners, principal stockholders, partners, and joint venturers;

7.9 C. identification of managing agents or subsidiaries that are or may be involved
7.10 in the gas resource development operation;

7.11 D. a description of organizational relationships between or among joint applicants;
7.12 and

7.13 E. identification of the site operator, as applicable, that will be managing day-to-day
7.14 operations on the applicant's behalf.

7.15 Subp. 5. **Environmental and physical setting.** To describe the environmental and
7.16 physical setting of proposed gas wells and gas resource development locations, the applicant
7.17 must submit the following information for the proposed spacing unit and areas within 1,320
7.18 feet of the proposed spacing unit:

7.19 A. maps submitted as static digital images and, where relevant, any geospatial
7.20 features for:

7.21 (1) the areal extent of the gas formation or reservoir, including the general
7.22 shape of the developable gas resource;

7.23 (2) proposed gas wells and gas resource development locations;

8.1 (3) proposed access roads and flowlines, including those extending beyond
8.2 1,320 feet from the spacing unit;

8.3 (4) water wells and surface water features, including basins, watersheds,
8.4 water courses, floodplains, and wetlands;

8.5 (5) the habitat type and any areas designated as habitat for endangered or
8.6 threatened species or species of concern;

8.7 (6) recorded archeological or historic sites;

8.8 (7) all known surface and subsurface uses within proposed gas resource
8.9 development locations;

8.10 (8) areas identified under part 6124.2000;

8.11 (9) the local zoning ordinance designation and any comprehensive plan land
8.12 use designation for proposed areas of gas resource development operations; and

8.13 (10) parcel or lot boundaries associated with the location and access roads;

8.14 B. cross-sectional diagrams that depict:

8.15 (1) the horizontal and vertical extent of the developable gas resource that will
8.16 support the operating life of the project;

8.17 (2) wellbore diagrams for each proposed gas well showing its surface location,
8.18 bottomhole location, geologic formations with lithology, aquifers, total depth, target
8.19 formation, producing zone, casing strings, production tubing, any perforated casing, and
8.20 wellhead equipment; and

8.21 (3) for each flowline water crossing, identified depths and separation distances
8.22 from surface water bodies;

8.23 C. tables and associated digital tabular data that include:

9.1 (1) for each gas well or gas resource development location, the county;
9.2 township, range, section, and quarter-quarter section; and Universal Transverse Mercator
9.3 (UTM) coordinates;

9.4 (2) for each gas resource development location, the acreage, surface
9.5 ownership, mineral interest ownership, current land use, and, as applicable, local zoning
9.6 designation or comprehensive land use planning designation; and

9.7 (3) for each water well within the proposed spacing unit, as identified and
9.8 described by the Minnesota Well Index or comparable database, the unique well identification
9.9 number, use, well completion depth, aquifer, wellhead coordinates, and any associated data
9.10 identified by the commissioner; and

9.11 D. a copy of any environmental review documents for the project completed before
9.12 the application is submitted, if applicable.

9.13 Subp. 6. **Operations plan.** The permit application must include an operations plan,
9.14 with associated maps and geospatial data, that describes:

9.15 A. the full life cycle of the gas resource development operations to be conducted;

9.16 B. the anticipated raw gas composition, marketable and waste gas streams, on-site
9.17 enrichment operations, and method of off-site transport to market;

9.18 C. the gas enrichment process, including separation, processing, and disposal
9.19 activities, and type and size of gas enrichment equipment; chemical additives and their
9.20 storage; and product volumes, storage, and transport frequency;

9.21 D. the civil design for each gas resource development location, including layout
9.22 dimensions, acreages, drainage patterns, stormwater and erosion controls, processing
9.23 locations, alignments, dimensions, and materials used for access roads and flowlines;

- 10.1 E. the gas resource development locations and equipment proposed in the
10.2 application, as depicted in a process flow diagram;
- 10.3 F. the water supply for gas well drilling and operations, in compliance with
10.4 Department of Health rules;
- 10.5 G. the waste streams and their volume, temporary storage, disposal practices, and
10.6 final disposal site during well drilling and operations, including all formation water, produced
10.7 water, drilling fluids, drill cuttings, chemicals, fluids, and solid wastes, managed in
10.8 compliance with state and federal law;
- 10.9 H. the applicant's emergency response plan for gas resource development
10.10 operations;
- 10.11 I. the methods, sequence, and schedules of decommissioning and monitoring
10.12 activities, in accordance with part 6124.2300;
- 10.13 J. the lands proposed for use as vegetative reference areas as depicted in a map
10.14 and a listing of the reference area species;
- 10.15 K. the progressive development and reclamation plan for each gas resource
10.16 development location;
- 10.17 L. the activities planned during the first year of operation, including all the
10.18 information required under part 6124.1200, subpart 3;
- 10.19 M. the amount of time required for the applicant to develop the gas resource and
10.20 complete all reclamation activities; and
- 10.21 N. any other information required by the commissioner to determine compliance
10.22 with this part.

11.1 Subp. 7. **Contingency reclamation plan.** The permit application must include a
11.2 contingency reclamation plan identifying reclamation activities to be implemented by the
11.3 permittee if there is a permanent shutdown in the next calendar year, including:

11.4 A. methods, sequence, and schedule of reclamation activities that meet the
11.5 requirements of parts 6124.2200 and 6124.2300;

11.6 B. maps and cross sections that depict the reclaimed area, including extent, final
11.7 contours, cover, and vegetation of each gas resource development location; and

11.8 C. cost estimates and financial mechanisms under part 6124.1100 necessary to
11.9 implement the contingency reclamation plan.

11.10 Subp. 8. **Temporary shutdown plan.** The permit application must include a temporary
11.11 shutdown plan that describes the procedures to be implemented during any pause in
11.12 production of more than 30 days that is not due to routine maintenance activities. The plan
11.13 must include:

11.14 A. a description of operations, if any, required by the commissioner of health to
11.15 place producing gas wells into shut-in status;

11.16 B. a maintenance plan for the temporary shutdown period that ensures that all gas
11.17 resource development locations remain secure, stable, and hazard-free;

11.18 C. documentation on how the applicant will comply with all permit standards and
11.19 parts 6124.1000 to 6124.5200 during the shutdown; and

11.20 D. a description of the operations necessary to safely restart production.

11.21 **6124.1100 FINANCIAL ASSURANCE.**

11.22 Subpart 1. **Purpose.** The purpose of financial assurance is to ensure that there is a
11.23 source of money to be used by the commissioner if the permittee fails to perform:

12.1 A. reclamation activities such as sealing gas wells, decommissioning facilities,
12.2 and site reclamation if operations cease; and

12.3 B. corrective action required by the commissioner if noncompliance with design
12.4 and operating criteria in the gas resource development permit occurs or to protect human
12.5 health or the environment.

12.6 Subp. 2. Contingency reclamation cost estimates.

12.7 A. A person intending to develop gas resources must submit, as part of an
12.8 application for a gas resource development permit or a permit amendment, a current and
12.9 documented estimate of costs necessary to implement the contingency reclamation plan for
12.10 gas well sealing and the reclamation of any gas resource development locations upon which
12.11 the person proposes to conduct gas resource operations. This estimate must include the cost
12.12 of gas well sealing, gas well abandonment, any site reclamation activities that may be
12.13 required if operations cease, and annual permit fees.

12.14 B. The permittee must annually review and adjust the contingency reclamation
12.15 cost estimate under part 6124.1000, subpart 7.

12.16 C. Cost estimates must be based on the current dollar value at the time of the
12.17 estimate. The cost estimate must include the cost to the commissioner of administering and
12.18 hiring a third party to implement the contingency reclamation plan.

12.19 D. No salvage value attributed to the sale of facility structures, equipment, land,
12.20 or other assets may be used for estimating purposes under this subdivision, except if
12.21 supported by a bid demonstrating salvage value to the satisfaction of the commissioner.

12.22 Subp. 3. Corrective action cost estimates.

12.23 A. If a corrective action is required during implementation of the gas resource
12.24 development plan to address noncompliance with design and operating criteria or to protect

13.1 human health or the environment, the permittee must submit to the commissioner a current
13.2 and documented estimate of costs necessary for completing the required actions.

13.3 B. The permittee must annually review and adjust cost estimates for corrective
13.4 action undertaken according to an approved corrective action plan under part 6124.1200,
13.5 subpart 4.

13.6 C. Cost estimates must be based on the current dollar value at the time of the
13.7 estimate. The cost estimate must include the cost to the commissioner of administering and
13.8 hiring a third party to conduct corrective action.

13.9 Subp. 4. **Management of financial assurance.**

13.10 A. The commissioner must evaluate submitted cost estimates and cost estimate
13.11 adjustments. If the commissioner determines that the department lacks staff expertise to
13.12 complete the evaluations, the commissioner must retain a third-party individual who is
13.13 qualified to evaluate the information and who has experience in extractive industry risk
13.14 management and financial risk assessment.

13.15 B. The permittee must submit financial assurance in the amount equal to the
13.16 contingency reclamation cost estimate to the commissioner for approval according to this
13.17 part before a gas resource development permit is issued and before a permit is amended and
13.18 must continuously maintain the financial assurance. The cost estimate must be annually
13.19 adjusted as follows:

13.20 (1) if the new cost estimate approved by the commissioner is more than the
13.21 amount of the existing financial assurance, the permittee must provide additional financial
13.22 assurance in an amount equal to the increase; or

13.23 (2) if the new cost estimate approved by the commissioner is less than the
13.24 amount of the existing financial assurance, the permittee must be released from maintaining
13.25 financial assurance in an amount equal to the decrease.

14.1 C. The permittee must submit financial assurance in the amount equal to the
14.2 corrective action cost estimate under subpart 3 to the commissioner for approval according
14.3 to this part and must continuously maintain the financial assurance until the permittee
14.4 completes the corrective action. The cost estimate must be annually adjusted as follows:

14.5 (1) if the new cost estimate approved by the commissioner is more than the
14.6 amount of the existing financial assurance, the permittee must provide additional financial
14.7 assurance in an amount equal to the increase; or

14.8 (2) if the new cost estimate approved by the commissioner is less than the
14.9 amount of the existing financial assurance, the permittee must be released from maintaining
14.10 financial assurance in an amount equal to the decrease.

14.11 D. A permittee may cancel financial assurance on approval by the commissioner
14.12 according to this part only after:

14.13 (1) the financial assurance is replaced by an alternate mechanism; or

14.14 (2) the permittee is released from financial assurance once the commissioner
14.15 determines, through inspection of the permitted gas resource development locations, that
14.16 all reclamation activities have been completed according to the gas resource development
14.17 permit and any corrective actions have been accomplished.

14.18 E. A provider of financial assurance must give the commissioner 120 days' notice
14.19 before canceling the financial assurance mechanism, and the provider may cancel the
14.20 financial assurance only after receiving a written response from the commissioner. Upon
14.21 receiving notice from the provider, the commissioner must take action to access the financial
14.22 assurance.

14.23 F. A provider of financial assurance must have offices located in the United States.

14.24 G. A provider of financial assurance must have a credit rating of A- or better
14.25 according to a large credit rater or provide equivalent evidence of creditworthiness.

15.1 H. A financial assurance instrument must not have an expiration date, unless it is
15.2 automatically renewed.

15.3 I. If the gas resource development permit is assigned, the new permittee must be
15.4 in compliance with this part before the commissioner approves the assignment. Upon the
15.5 assignee's demonstration of compliance with this part, the former permittee is released from
15.6 the requirements of this part.

15.7 Subp. 5. **Criteria for financial assurance.** Financial assurance for reclamation and
15.8 for corrective action must align with current best practices and risk-adjusted industry
15.9 standards and meet the following criteria:

15.10 A. funds are sufficient to cover the costs estimated under subparts 2 and 3;

15.11 B. funds will be available and made payable to the commissioner when needed;

15.12 C. funds are fully valid, binding, and enforceable under state and federal law;

15.13 D. funds are not dischargeable through bankruptcy;

15.14 E. financial instruments do not include any corporate guarantees unless a guarantee
15.15 is deemed necessary by the commissioner as an additional layer of assurance beyond the
15.16 use of bonds, other securities, or other financial assurance mechanisms that meet the criteria
15.17 in this subpart, and in no case may a corporate guarantee be approved as a stand-alone
15.18 financial assurance mechanism; and

15.19 F. all terms and conditions of the financial assurance are approved by the
15.20 commissioner as meeting the requirements of this part. The commissioner, in evaluating
15.21 financial assurance, must use individuals qualified to evaluate the information and with
15.22 experience in extractive industry risk management and financial risk assessment.

15.23 Subp. 6. **Forfeiture of financial assurance.** When an operator is not in compliance
15.24 with the contingency reclamation plan or the corrective action plan, the financial assurance

16.1 provider must make financial assurance available to the commissioner upon written notice
16.2 from the commissioner to the provider and the permittee.

16.3 Subp. 7. **Failure to comply.** The commissioner may deny, suspend, revoke, or modify
16.4 a gas resource development permit if the permittee fails to comply with this part.

16.5 **6124.1200 ANNUAL REPORT.**

16.6 Subpart 1. **Report requirements.** By March 31 each year, a permittee must submit
16.7 an annual report to the commissioner that describes actual gas production and reclamation
16.8 completed during the preceding calendar year, gas production and reclamation activities
16.9 planned for the current calendar year, and the contingency reclamation plan to be
16.10 implemented, if necessary, during the current calendar year.

16.11 Subp. 2. **Preceding calendar year.** For the preceding calendar year, the report must
16.12 include:

16.13 A. a description of actual gas resource development operations, including:

16.14 (1) volumes and average compositions of raw gas extracted from each gas
16.15 well within the established spacing unit;

16.16 (2) quantities and final grades of commercial gas products and how products
16.17 were transported to market; and

16.18 (3) any changes in the production or gas enrichment processes;

16.19 B. any changes in production status for the permittee's gas wells;

16.20 C. a description of any temporary shutdowns;

16.21 D. a description of reclamation activities and corrective actions undertaken;

16.22 E. any changes in the site operator that manages day-to-day operations on the
16.23 permittee's behalf, as applicable; and

17.1 F. a description of any changes in the permittee's ownership or organizational
17.2 structure.

17.3 Subp. 3. **Current calendar year.** For the current calendar year, the report must include:

17.4 A. the anticipated rate of gas resource development, including:

17.5 (1) volumes and average compositions of raw gas to be extracted from each
17.6 gas well within the established spacing unit;

17.7 (2) quantities and final grades of commercial gas products and how products
17.8 will be transported to market; and

17.9 (3) planned changes in the production or gas enrichment processes;

17.10 B. other anticipated gas resource development operations;

17.11 C. anticipated reclamation activities, including methods and schedules;

17.12 D. any anticipated changes in the status of the permittee's gas wells;

17.13 E. any anticipated temporary shutdowns;

17.14 F. a discussion of how anticipated activities will differ in scope and schedule from
17.15 the operations plan approved under part 6124.1000;

17.16 G. evidence that the liability insurance policy submitted with the permit application
17.17 is in force or that self-insurance requirements are being met; and

17.18 H. a description of anticipated changes in the permittee's ownership or
17.19 organizational structure.

17.20 Subp. 4. **Corrective action.** When a corrective action plan is required under part
17.21 6124.2400, subpart 2, the report under subpart 1 must include:

17.22 A. a description of actual corrective action conducted in the preceding calendar
17.23 year;

18.1 B. a description of anticipated corrective action for the current calendar year; and

18.2 C. a corrective action cost estimate for the current calendar year according to part
18.3 6124.1100, subpart 3.

18.4 Subp. 5. **Maps.** For the preceding and current calendar years, the report must contain
18.5 maps in the form prescribed under part 6124.1000, subpart 5, that show the status of gas
18.6 resource operations, construction, and reclamation.

18.7 Subp. 6. **Compliance determination.**

18.8 A. If the annual report complies with the gas resource development permit and
18.9 this chapter, the commissioner must direct the permittee to implement the operations plan
18.10 proposed for the current calendar year under subpart 3, item F.

18.11 B. If the annual report does not comply with the gas resource development permit
18.12 or this chapter, the commissioner must:

18.13 (1) require the permittee to prepare an explanation for noncompliance and
18.14 what the permittee proposes to achieve compliance;

18.15 (2) direct the permittee to take corrective action under part 6124.2400 to
18.16 address the violations, deficiencies, or inadequacies that are reported to have occurred during
18.17 the past calendar year; or

18.18 (3) require the permittee to develop a new operations plan for activities to be
18.19 conducted during the current calendar year that will comply with the gas resource
18.20 development permit.

18.21 **6124.1300 REQUEST FOR RELEASE FROM PERMIT.**

18.22 Subpart 1. **Purpose.** The purpose of the request for release is to provide the
18.23 commissioner with information on the reclamation status of one or more gas resource
18.24 development locations. The permittee may submit the request when the permittee concludes

19.1 that all reclamation is complete for one or more gas resource development locations. The
19.2 commissioner must approve release from the permit only for those locations that are
19.3 reclaimed according to this chapter.

19.4 Subp. 2. Contents. The request for release must include:

19.5 A. a description of how each gas resource development location for which a release
19.6 is requested has been made to comply with parts 6124.2000 to 6124.2300 and the gas
19.7 resource development permit;

19.8 B. identification of:

19.9 (1) the surface land ownership of the gas resource development location or
19.10 locations for which a release is requested; and

19.11 (2) any remaining structures or auxiliary facilities at the location for which
19.12 a release is requested;

19.13 C. a discussion of gas resource development locations excluded from release
19.14 because they are:

19.15 (1) subject to ongoing reclamation operations under part 6124.2300; or

19.16 (2) still engaged in gas production; and

19.17 D. a map in the form prescribed by part 6124.1000, subpart 5, item A, that shows:

19.18 (1) the location and status of all gas resource development locations and
19.19 facilities created or used during gas resource development;

19.20 (2) the gas resource development locations for which release is being
19.21 requested;

19.22 (3) the gas resource development locations on which reclamation or production
19.23 is still being conducted;

20.1 (4) the final topography of the gas resource development locations covered
20.2 under the request for release; and

20.3 (5) the location, type, and extent of vegetation that has been established under
20.4 part 6124.2300.

20.5 **Subp. 3. Determination by commissioner.**

20.6 **A. The commissioner must review the request for release and inspect each location**
20.7 **to be released to determine whether all terms and conditions of this chapter and the gas**
20.8 **resource development permit have been satisfied for the location.**

20.9 **B. If the commissioner determines that the terms and conditions of this chapter**
20.10 **and the gas resource development permit are not satisfied, the permittee must not be released**
20.11 **from the permit.**

20.12 **C. If the commissioner determines that the terms and conditions of this chapter**
20.13 **and the gas resource development permit are satisfied, the commissioner must release the**
20.14 **permittee from further responsibility for the reclaimed portion.**

20.15 **6124.1400 TEMPORARY SHUTDOWN.**

20.16 **Subpart 1. Notification. The permittee must notify the commissioner at least five**
20.17 **days before the start of a temporary shutdown. The notification must include the reason for**
20.18 **the temporary shutdown and the projected end of the temporary shutdown.**

20.19 **Subp. 2. Temporary shutdown plan. The permittee must implement the temporary**
20.20 **shutdown plan under part 6124.1000, subpart 8, at the start of any temporary shutdown.**

20.21 **6124.1500. PERMANENT SHUTDOWN.**

20.22 **Subpart 1. Notification. The permittee must notify the commissioner at least 30 days**
20.23 **before the start of a permanent shutdown.**

21.1 Subp. 2. **Initiation of reclamation operations.** After giving notice under subpart 1,
21.2 the permittee must:

21.3 A. immediately implement the contingency reclamation plan that was included
21.4 in the most recent annual report;

21.5 B. within 30 days, submit to the commissioners of health and natural resources a
21.6 gas well sealing notification for all gas wells; and

21.7 C. comply with the reclamation requirements under part 6124.2300.

21.8 SITING AND RECLAMATION

21.9 6124.2000 SITING.

21.10 Subpart 1. **Gas resource operations excluded.** Gas resource development operations
21.11 are prohibited in or below:

21.12 A. the Boundary Waters Canoe Area Wilderness, as legally described in the
21.13 Federal Register, volume 45, number 67 (April 4, 1980), with state restrictions specified in
21.14 Minnesota Statutes, section 84.523, subdivision 3;

21.15 B. Voyageurs National Park, with state restrictions specified in Minnesota Statutes,
21.16 section 84B.03, subdivision 1;

21.17 C. state wilderness areas, with restrictions specified in Minnesota Statutes, section
21.18 86A.05, subdivision 6; or

21.19 D. Agassiz and Tamarac National Wilderness Areas and Pipestone and Grand
21.20 Portage National Monuments.

21.21 Subp. 2. **Surface disturbance and directional drilling prohibited.** Gas resource
21.22 development operations that disturb the surface are prohibited, and subsurface directional
21.23 and horizontal drilling are prohibited in or below:

21.24 A. state-owned surface lands designated as scientific and natural areas;

22.1 B. state-owned surface lands designated as state peatland scientific and natural
22.2 areas where gas resource development operations would significantly modify or alter the
22.3 peatland water levels or flows, peatland water chemistry, plant or animal species or
22.4 communities, or natural features of the peatland scientific and natural areas;

22.5 C. calcareous fens identified according to Minnesota Statutes, section 103G.223;
22.6 and

22.7 D. state-owned surface lands designated as state parks.

22.8 Subp. 3. Surface disturbance prohibited. Gas resource development operations that
22.9 disturb the surface are prohibited:

22.10 A. within the Boundary Waters Canoe Area Wilderness Mineral Management
22.11 Corridor, identified on the map Minnesota Department of Natural Resources B.W.C.A.W.
22.12 Mineral Management Corridor, Department of Natural Resources (February 1991), which
22.13 is incorporated by reference, is not subject to frequent change, and is available through the
22.14 Minitex interlibrary loan system;

22.15 B. within one-fourth mile of Voyageurs National Park;

22.16 C. within one-fourth mile of state-owned surface lands designated as state
22.17 wilderness areas;

22.18 D. within one-fourth mile of Agassiz and Tamarac National Wilderness Areas
22.19 and Pipestone and Grand Portage National Monuments;

22.20 E. within one-fourth mile of state-owned surface lands designated as scientific
22.21 and natural areas;

22.22 F. within one-fourth mile of state-owned surface lands designated as state parks;

22.23 G. within one-fourth mile of calcareous fens identified according to Minnesota
22.24 Statutes, section 103G.223;

23.1 H. on sites designated in the National Register of Historic Places, except that gas
23.2 resource development operations are allowed if the sites have been established because of
23.3 their association with mining;

23.4 I. on sites designated as state historic sites under Minnesota Statutes, section
23.5 138.662, or state historic places under Minnesota Statutes, section 138.664;

23.6 J. within waters identified in the public waters inventory under Minnesota Statutes,
23.7 section 103G.201, that have not been created or substantially altered in size by human
23.8 activities and on the shorelands, as defined in Minnesota Statutes, section 103F.205,
23.9 subdivision 4, adjoining the unaltered public waters;

23.10 K. within national wild, scenic, or recreational river districts of a national wild,
23.11 scenic, or recreational river and within the areas identified in A Management Plan for the
23.12 Upper Mississippi River, Mississippi Headwaters Board (January 1981), which is
23.13 incorporated by reference, is not subject to frequent change, and is available through the
23.14 Minitex interlibrary loan system;

23.15 L. within designated state land-use districts of a state wild, scenic, or recreational
23.16 river;

23.17 M. within the area adjacent to the north shore of Lake Superior identified in North
23.18 Shore Management Plan: Shoreland Management, North Shore Management Board
23.19 (December 1988), which is incorporated by reference, is not subject to frequent change,
23.20 and is available through the Minitex interlibrary loan system;

23.21 N. within 1,000 feet of an occupied dwelling, public school, church, public
23.22 institution, or county or municipal park that existed before a gas resource development
23.23 permit was issued for the area, unless allowed by the owner;

23.24 O. within 100 feet of a cemetery that existed before a gas resource development
23.25 permit was issued for the area; and

24.1 P. within 100 feet of the outside right-of-way line of a public roadway that existed
24.2 before a gas resource development permit was issued for the area.

24.3 Subp. 4. Gas resource development operations constrained. Gas resource
24.4 development operations that disturb the surface in the following areas may be allowed only
24.5 if the operations cannot be achieved elsewhere within the established spacing unit:

24.6 A. within a national wildlife refuge, within a national waterfowl protection area,
24.7 or on a national trail;

24.8 B. within state-owned surface lands designated as wildlife management areas;

24.9 C. on a state-designated trail listed in Minnesota Statutes, section 85.015, or
24.10 acquired under the authority of Minnesota Statutes, section 84.029, subdivision 2;

24.11 D. within state-owned surface lands designated as a state recreation area under
24.12 Minnesota Statutes, section 85.013; and

24.13 E. in peatlands identified as peatland watershed protection areas in
24.14 Recommendations for the Protection of Ecologically Significant Peatlands in Minnesota,
24.15 Department of Natural Resources (November 1984), which is incorporated by reference, is
24.16 not subject to frequent change, and is available through the Minitex interlibrary loan system.

24.17 Subp. 5. General siting criteria.

24.18 A. Portions of a gas resource development location for which there is flexibility
24.19 in site selections, such as storage piles, production equipment, tanks and tank batteries,
24.20 flowlines, processing equipment, offices, interconnecting roadways, and auxiliary facilities,
24.21 must be sited to avoid or minimize:

24.22 (1) impacts on the public and natural resources due to wind erosion, light,
24.23 noise, and air emissions;

- 25.1 (2) potential damage to property and natural resources due to soil erosion
25.2 and storm runoff;
- 25.3 (3) impacts to surface water, wetlands, or groundwater resources;
- 25.4 (4) impacts to wildlife, wildlife habitats, and aquatic species;
- 25.5 (5) impacts to public health and welfare, including nuisance effects; and
- 25.6 (6) conflicts with natural and historical heritage sites.

25.7 B. All gas resource development operations must incorporate setbacks or
25.8 separations to comply with air, water, and noise pollution standards; local land use
25.9 regulations; and requirements of other appropriate authorities.

25.10 **6124.2200 SITE PREPARATION AND OPERATION.**

25.11 Subpart 1. Requirements.

25.12 A. Each gas resource development location, access road, and flowline must be
25.13 designed, constructed, and operated to promote reclamation of the land, protect the topsoil
25.14 disturbed by the operation, and minimize surface disturbance. Reclamation activities must
25.15 begin after the gas resource development operations are initiated and continue throughout
25.16 the life of the operations.

25.17 B. Site preparation and stabilization must meet the following requirements:

25.18 (1) well sites, production facilities, gathering pipelines, and access roads must
25.19 be located, sized, constructed, and maintained to control dust and to minimize erosion,
25.20 alteration of natural features, removal of surface materials, and degradation due to
25.21 contamination;

25.22 (2) any drilling location must be designed and constructed to minimize the
25.23 total surface area disturbance and provide a safe working area, including avoiding steep
25.24 slopes when possible;

26.1 (3) the operator must prioritize using existing roads to avoid erosion and
26.2 minimize the land used for the operation, and roads must be routed to complement other
26.3 land usage;

26.4 (4) flowlines in areas used for cultivation must be buried beneath plow depth,
26.5 and topsoil must be salvaged and stored along the flowline corridor before flowline is
26.6 installed;

26.7 (5) surface disturbance during construction of locations, flowlines, and access
26.8 roads must be minimized to the area needed to stage materials, to store salvaged topsoil,
26.9 and to operate equipment;

26.10 (6) the operator must separate and store topsoil to facilitate reclamation
26.11 activities at the site;

26.12 (7) stockpiled topsoil must be protected from contamination, compaction,
26.13 and wind and water erosion during drilling and production operations;

26.14 (8) the operator must use best management practices to prevent establishment
26.15 of weeds and invasive species and to maintain soil microbial activity;

26.16 (9) wellheads and surface equipment must be fenced when necessary to
26.17 discourage livestock, wildlife, and third-party interference;

26.18 (10) the operator must restore the surface of the land as close as practicable
26.19 to the land's condition at the start of operations;

26.20 (11) the operator must install, maintain, monitor, and repair each gas resource
26.21 development location, facility, access road, and flowline to prevent potential impacts to
26.22 public health and the environment; and

26.23 (12) the operator must remedy any leaks or spills.

27.1 Subp. 2. **Dust, noise, and light requirements.** The permittee must manage drilling,
27.2 production, and operations to control dust, noise, and light as follows:

27.3 A. dust must be controlled to prevent nuisance and potential health effects by
27.4 using techniques such as water spray, anchored mulches, vegetation, enclosure and
27.5 containment, access road surface or surfacing materials, road maintenance, or speed
27.6 restrictions. Limited use of chemical binders is allowed only when other techniques are
27.7 inadequate to control dust to prevent nuisance and potential health effects;

27.8 B. the operator must comply with the noise standards under chapter 7030 and
27.9 Minnesota Statutes, section 116.07, subdivision 2;

27.10 C. light must be controlled to maintain site safety during drilling, production, and
27.11 operations; and

27.12 D. lighting must be shielded and directed downward to illuminate the work area,
27.13 so that lighting does not extend more than 100 feet beyond the boundary of a gas resource
27.14 development location.

27.15 Subp. 3. **Reclaiming areas no longer supporting production.**

27.16 A. Areas no longer supporting production and areas disturbed by construction
27.17 and no longer in use must be reclaimed according to part 6124.2300.

27.18 B. Following well drilling or construction of a gas resource development location,
27.19 material and equipment that are not necessary for production and operations must be removed
27.20 and managed in compliance with state and federal law.

27.21 C. Any excavation that supported well drilling or construction of a gas resource
27.22 development location must be backfilled and recontoured to match the surrounding surface.

27.23 D. No later than the first growing season after a gas well is drilled or after
27.24 construction for an associated gas resource development location, the area must be

28.1 revegetated according to part 6124.2300, subpart 1, item H, to fulfill the requirements of
28.2 part 6124.2300, subpart 3.

28.3 E. If the same area is disturbed again, the operator must reinitiate reclamation
28.4 activities according to this subpart.

28.5 **6124.2300 RECLAMATION.**

28.6 Subpart 1. Decommissioning requirements. A gas resource development location
28.7 must be reclaimed so that the location is stable, free of hazards, and maintenance-free. The
28.8 following decommissioning activities must be completed within 18 months after reclamation
28.9 starts under part 6124.2200, subpart 3:

28.10 A. all equipment and materials, such as used and unused cement, tanks, and piping,
28.11 must be removed from the location;

28.12 B. any tanks, drill cuttings, fluids, and chemicals must be managed in compliance
28.13 with state and federal law;

28.14 C. any gas well on the location must be sealed according to Department of Health
28.15 rules or other applicable law;

28.16 D. excavations must be backfilled and recontoured to match the surrounding
28.17 surface;

28.18 E. roads, parking areas, and storage pads, except those necessary for access, must
28.19 be removed;

28.20 F. flowlines and flowline risers must be removed as part of waste removal. The
28.21 commissioner may approve abandoning a buried flowline in place. Any flowline abandoned
28.22 in place must be disconnected from its source, properly purged, and tested to confirm
28.23 atmospheric pressure;

29.1 G. all other equipment, facilities, and structures must be removed, including
29.2 foundations and pads; and

29.3 H. gas resource development locations must be revegetated using techniques such
29.4 as seeding or planting, fertilizing, mulching, irrigating, and grading or other methods to
29.5 reduce compaction. Vegetation must be established during the first growing season after
29.6 construction on any disturbed areas, including:

29.7 (1) areas that are disturbed during well drilling or construction of a gas
29.8 resource development location and do not support production;

29.9 (2) areas along a flowline route that were disturbed by construction after the
29.10 flowline was installed;

29.11 (3) berms, stockpiles, or piles of topsoil that are segregated and stored during
29.12 construction of a gas resource development location; and

29.13 (4) areas disturbed for parking, staging, storage, transmission routes, and
29.14 roads during the construction phase that will not be used for subsequent production and
29.15 operations.

29.16 Subp. 2. **Land use consideration.** Reclamation activities must account for future land
29.17 use potential and recognize the productivity of the site. If a gas resource development
29.18 location is in a developed urban or suburban area or in an agricultural area, the commissioner
29.19 must consider alternatives to establishing native species according to the following
29.20 requirements:

29.21 A. the location must be reclaimed so that it is nonpolluting, has future land use
29.22 potential that recognizes the productivity of the site, and is maintenance-free;

29.23 B. the reclaimed location must be compatible with surrounding land use and plans
29.24 of the surface owners; and

30.1 C. the location must be reclaimed according to the approved operations plan, and
30.2 the operator must implement monitoring activities according to subpart 3.

30.3 Subp. 3. **Monitoring requirements.** Areas vegetated during decommissioning must
30.4 be monitored as follows:

30.5 A. within three growing seasons after initiating vegetation, a 70-percent ground
30.6 cover must exist on the reclaimed area, with vegetative cover free of nonnative invasive
30.7 species, within a 90-percent statistical confidence interval, and consisting of living vegetation
30.8 and its litter. Vegetation must be consistent with the reference areas described in part
30.9 6124.1000, subpart 6, item J;

30.10 B. if the standard identified in item A is not met, if unvegetated rills or gullies
30.11 more than nine inches deep are present and erosion is occurring, or if subsequent disturbance
30.12 alters the established ground cover, the surface must be repaired and replanted during the
30.13 next normal planting period; and

30.14 C. notwithstanding items A and B, vegetative cover may be consistent with an
30.15 alternate land use, if approved by the commissioner under subpart 2.

30.16 **6124.2400 CORRECTIVE ACTION.**

30.17 Subpart 1. **Action by permittee.** A permittee must take immediate corrective action
30.18 to address any violation, subject to the following:

30.19 A. when the permittee is aware that requirements of parts 6124.2000 to 6124.2300
30.20 are not being met or if facilities constructed are not in compliance with the gas resource
30.21 development permit, the permittee must immediately notify the commissioner; and

30.22 B. if there is an immediate threat to human safety or natural resources resulting
30.23 from the gas resource development operations, the permittee must implement the emergency
30.24 response plan and take immediate corrective action.

31.1 Subp. 2. **Corrective action order.** The commissioner may order the permittee to take
31.2 corrective action to address any violation, whether observed by the commissioner or reported
31.3 by the permittee, as follows:

31.4 A. upon notification or observation of a violation of this chapter or the gas resource
31.5 development permit, the commissioner may order the permittee to:

31.6 (1) immediately take corrective action; or

31.7 (2) submit, within ten business days, a corrective action plan for approval
31.8 before the permittee implements corrective action that includes:

31.9 (a) the nature and cause of the violation;

31.10 (b) the methods, sequence, and schedule of corrective action that will
31.11 result in compliance with the permit and this chapter;

31.12 (c) corrective action cost estimates according to part 6124.1100, subpart
31.13 3; and

31.14 (d) maps and cross sections; and

31.15 B. the commissioner may take one or more of the following actions if the permittee
31.16 fails to comply with this part or an order issued under this subpart:

31.17 (1) modify the gas resource development permit under part 6124.3300;

31.18 (2) suspend gas production under part 6124.3600; or

31.19 (3) revoke the gas resource development permit under part 6124.3700.

32.1

ADMINISTRATIVE PROCEDURES

32.2

**6124.3000 OBTAINING GAS RESOURCE DEVELOPMENT PERMIT;
PROCEDURES.**

32.3

32.4 Subpart 1. **Application.** The process for requesting a gas resource development permit
32.5 begins with a preapplication conference under part 6124.1000, subpart 1, followed by
32.6 submitting an application to the commissioner under parts 6124.1000 to 6124.5200.

32.7 Subp. 2. **Initial review.** The commissioner must conduct an initial review of a gas
32.8 resource development permit application to determine completeness. The commissioner
32.9 must reject without prejudice any gas resource development permit application that fails
32.10 to:

32.11 A. include all information, maps, plans, and documents required under part
32.12 6124.1000, subparts 3 to 8;

32.13 B. include plans, maps, or documents that are, on an individual basis, complete;

32.14 C. demonstrate that the permittee has surface use agreements, as needed for surface
32.15 occupancy within the proposed spacing unit; or

32.16 D. submit a combined application that includes a proposal for a spacing unit that
32.17 demonstrates the permit applicant's control of all mineral interests within the proposed
32.18 spacing unit, as described in part 6124.5200, subpart 3.

32.19 Subp. 3. **Application completeness; filing.** After the commissioner determines that
32.20 a gas resource development permit application is complete, the commissioner must publish
32.21 a notice in the State Register according to part 6124.3900, subpart 1, stating that the
32.22 department has received an application for a gas resource development permit. The
32.23 application is considered filed upon publication of the notice.

32.24 Subp. 4. **Informational meeting.** After a gas resource development permit application
32.25 is filed, the commissioner may hold a public informational meeting with the assistance of

33.1 the applicant in the county or counties where proposed gas resource development operations
33.2 would take place. The informational meeting may include a discussion of proposed project
33.3 operations and the proposed spacing unit. At least 30 days before the meeting, the
33.4 commissioner must publish notice of the meeting in the State Register according to part
33.5 6124.3900, subpart 4.

33.6 Subp. 5. **Notifying surface and mineral interest owners.** Within 30 days after the
33.7 application is filed, the permit applicant must mail notice to all surface and mineral interest
33.8 owners within the proposed spacing unit that the permit applicant has submitted a permit
33.9 application and proposed a spacing unit for gas resource development. The applicant must
33.10 provide the commissioner with a list of all the owners, the owners' mailing addresses, and
33.11 an affidavit of mailing.

33.12 Subp. 6. **Commissioner's review.**

33.13 A. After receiving an application that the commissioner has deemed complete
33.14 and filed, the commissioner must:

33.15 (1) evaluate the proposed spacing unit and propose in a draft spacing order
33.16 that the spacing unit be approved, modified, or made provisional according to part 6124.5200;
33.17 and

33.18 (2) determine whether the proposed financial assurance plan, operations and
33.19 reclamation plans, temporary shutdown plan, or other parts of the application need to be
33.20 modified to comply with applicable state laws.

33.21 B. If the spacing unit is modified under item A, the applicant must demonstrate
33.22 control of any added areas within the modified spacing unit before the commissioner issues
33.23 a draft permit. If the applicant cannot demonstrate control of the modified spacing unit, the
33.24 commissioner must reject the application.

34.1 Subp. 7. **Draft permit and spacing order.**

34.2 A. Except as provided in item C, the commissioner must issue a draft gas resource
34.3 development permit that consists of the complete permit application and any special
34.4 conditions that are necessary to fulfill the requirements of this chapter. The commissioner
34.5 must also issue a draft spacing order.

34.6 B. The commissioner must publish notice of issuing a draft permit and draft
34.7 spacing order in the State Register according to part 6124.3900.

34.8 C. If the commissioner determines that a gas resource development permit
34.9 application will be denied, the commissioner is not required to issue a draft permit under
34.10 this subpart or accept public comments under subpart 9.

34.11 Subp. 8. **Early Tribal notification.** The commissioner must provide notice to
34.12 Minnesota Tribal governments, as defined under Minnesota Statutes, section 10.65,
34.13 subdivision 2, at least 30 days before publishing the draft permit and draft spacing order in
34.14 the State Register.

34.15 Subp. 9. **Public comments.** A 30-day public comment period begins when the notice
34.16 of issuing the draft permit and draft spacing order is published in the State Register. The
34.17 commissioner may hold a public meeting on the draft permit within the public comment
34.18 period in the county or counties where gas resource development operations would take
34.19 place. The commissioner must consider public comments received but is not required to
34.20 respond to individual comments.

34.21 Subp. 10. **Final decision.**

34.22 A. After the public comment period, the commissioner must decide whether to
34.23 grant the gas resource development permit, with or without modifications, or deny the
34.24 application. The commissioner's decision is a final order subject to appeal under Minnesota
34.25 Statutes, section 93.50.

35.1 B. The commissioner must issue a spacing order before or concurrently with the
35.2 gas resource development permitting decision. The commissioner must not issue a permit
35.3 unless the applicant has demonstrated control of the associated spacing unit according to
35.4 part 6124.5200. The commissioner's spacing order is a final order subject to appeal under
35.5 Minnesota Statutes, section 93.50.

35.6 Subp. 11. **Term of permit.** A permit issued by the commissioner under this part must
35.7 be granted for the numeric term determined necessary by the commissioner for completing
35.8 the proposed gas resource development plan, including reclamation.

35.9 Subp. 12. **Revocation; modification; suspension.** A permit is irrevocable during its
35.10 term except as provided under parts 6124.3300, 6124.3500, 6124.3600, and 6124.3700.

35.11 **6124.3200 AMENDING GAS RESOURCE DEVELOPMENT PERMIT.**

35.12 Subpart 1. **Application for amendment.** A permittee may request an amendment of
35.13 the gas resource development permit by filing an application for an amendment with the
35.14 commissioner. The application must include information the commissioner requests to
35.15 determine whether the proposed amendment meets the requirements of parts 6124.0100 to
35.16 6124.5200.

35.17 Subp. 2. **Review by commissioner; completeness.** The commissioner must review
35.18 a permit amendment application to determine whether it meets the requirements of parts
35.19 6124.0100 to 6124.5200. A proposed permit amendment that meets the requirements, either
35.20 on its own or with the addition of special conditions necessary to comply with this chapter,
35.21 is considered complete.

35.22 Subp. 3. **Determination by commissioner; substantial change.**

35.23 A. The commissioner must determine whether the complete proposed amendment
35.24 constitutes a substantial change from the gas resource development permit. The commissioner
35.25 must decide whether to grant, grant with conditions, or deny a proposed amendment that

36.1 does not constitute a substantial change without complying with the procedural requirements
36.2 of this subpart.

36.3 B. When the commissioner determines that a complete proposed amendment
36.4 constitutes a substantial change to the permit, the commissioner must:

36.5 (1) issue a draft gas resource development permit amendment that consists
36.6 of the permit amendment application and any special conditions that are necessary to fulfill
36.7 the requirements of this chapter;

36.8 (2) publish notice of issuing a draft permit amendment in the State Register
36.9 according to part 6124.3900, subpart 3; and

36.10 (3) provide notice to Minnesota Tribal governments, as defined under
36.11 Minnesota Statutes, section 10.65, subdivision 2, at least 30 days before publishing the draft
36.12 permit amendment in the State Register.

36.13 C. A 30-day public comment period begins when the notice of issuing the draft
36.14 permit amendment is published in the State Register. The commissioner may hold a public
36.15 meeting on the draft permit amendment during the public comment period in the county or
36.16 counties where permitted gas resource development operations would take place. The
36.17 commissioner must consider public comments received but is not required to respond to
36.18 individual comments.

36.19 D. After the comment period, the commissioner must decide whether to grant the
36.20 permit amendment, with or without modifications, or deny the application. The
36.21 commissioner's decision is a final order subject to appeal under Minnesota Statutes, section
36.22 93.50.

36.23 **6124.3300 MODIFYING GAS RESOURCE DEVELOPMENT PERMIT.**

36.24 Subpart 1. Conditions authorizing. The commissioner may modify a gas resource
36.25 development permit when:

37.1 A. it is necessary to correct conditions that jeopardize public health or safety,
37.2 threaten public lands or waters or the environment, or could result in injury to persons or
37.3 property;

37.4 B. the permittee violates terms of the gas resource development permit or parts
37.5 6124.0100 to 6124.5200; or

37.6 C. new information becomes available that must be addressed and incorporated
37.7 into the gas resource development permit.

37.8 Subp. 2. **Appeal.** A permittee may appeal the modification under subpart 1 according
37.9 to Minnesota Statutes, section 93.50.

37.10 **6124.3400 ORDER TO IMPLEMENT CONTINGENCY RECLAMATION PLAN;**
37.11 **TEMPORARY SHUTDOWN.**

37.12 Subpart 1. **Conditions authorizing.** As provided in subpart 3, the commissioner may
37.13 order a permittee to implement the permittee's contingency reclamation plan when a
37.14 temporary shutdown exceeds 18 months.

37.15 Subp. 2. **Notice of intent.** The commissioner must notify a permittee of the intent to
37.16 order implementation of the contingency reclamation plan according to subpart 1. The
37.17 permittee has 30 days after the date the notice is mailed to:

37.18 A. implement the contingency reclamation plan and comply with the permanent
37.19 shutdown requirements under part 6124.1500;

37.20 B. end the temporary shutdown and bring the project back into production for no
37.21 fewer than 120 days at levels comparable to levels 30 days before the temporary shutdown
37.22 started; or

37.23 C. request an extension of the deadline to reach a decision as to whether to initiate
37.24 reclamation or end the temporary shutdown, with the request explaining why additional
37.25 time is necessary.

38.1 Subp. 3. **Decision by commissioner.** The commissioner must issue an order to
38.2 implement the contingency reclamation plan when:

38.3 A. the permittee fails to respond within 30 days after the date the notice of intent
38.4 is mailed;

38.5 B. the permittee notifies the commissioner of the permittee's intention to end the
38.6 temporary shutdown but fails to do so within 60 days after the notice of intent is mailed; or

38.7 C. the commissioner denies the permittee's request for an extension under subpart
38.8 2, item C.

38.9 **6124.3500 CANCELING GAS RESOURCE DEVELOPMENT PERMIT.**

38.10 A. The commissioner may cancel a gas resource development permit if, within
38.11 three years after issuing the gas resource development permit:

38.12 (1) no surface disturbances, construction activities that require reclamation,
38.13 or actual extraction or beneficiation of gas resources has begun; and

38.14 (2) no reclamation of the site is necessary.

38.15 B. The commissioner may cancel a permit at the request of or with the consent
38.16 of the permittee upon such conditions as the commissioner determines necessary for
38.17 protecting the public interest.

38.18 **6124.3600 SUSPENDING GAS PRODUCTION.**

38.19 Subpart 1. **Procedure.** The commissioner may order a permittee, in writing, to suspend
38.20 production-related operations at one or more gas resource development locations when:

38.21 A. production-related operations create an emergency that results in imminent
38.22 danger to or an immediate threat to public health and safety, public interest in lands and
38.23 waters, or persons and property; or

39.1 B. the permittee fails to correct identified deficiencies or inadequacies in financial
39.2 assurance, annual reporting, or corrective actions.

39.3 Subp. 2. **Reclamation obligations.** An order by the commissioner to suspend
39.4 production-related operations does not apply to active reclamation operations.

39.5 Subp. 3. **Lifting suspension.** A written order to suspend production-related operations
39.6 must identify the conditions that must be met by the permittee before the suspension may
39.7 be lifted.

39.8 Subp. 4. **Failure to comply.** A permittee's failure to adequately address issues identified
39.9 by the commissioner in the written order of suspension may lead to further action, including
39.10 permit revocation.

39.11 Subp. 5. **Appeal.** The permittee may appeal a suspension according to Minnesota
39.12 Statutes, section 93.50.

39.13 **6124.3700 REVOKING GAS RESOURCE DEVELOPMENT PERMIT.**

39.14 Subpart 1. **Conditions authorizing.** The commissioner may revoke a gas resource
39.15 development permit by written order when:

39.16 A. it is necessary to stop conditions that jeopardize public health and safety,
39.17 threaten public lands or waters, or could result in injury to persons or property, and an order
39.18 to suspend under part 6124.3600 cannot remedy the threat or has not been complied with;

39.19 B. the permittee violates terms of the gas resource development permit or parts
39.20 6124.0100 to 6124.5200, other than those specified in part 6124.3600, subpart 1, item B;

39.21 C. the permittee fails to correct deficiencies or inadequacies creating an emergency
39.22 under part 6124.3600, subpart 1, item A; or

39.23 D. the commissioner has reasonable cause to believe that information submitted
39.24 on a permit application was materially incorrect.

40.1 Subp. 2. **Cessation of operations.** Upon an order by the commissioner to revoke a
40.2 permit, the permittee must immediately cease all gas resource development operations.

40.3 Subp. 3. **Forfeiture of financial assurance.** Upon an order by the commissioner to
40.4 revoke the permit, the commissioner must notify the permittee and the provider of financial
40.5 assurance that all financial assurance funds must be made available to the commissioner.

40.6 Subp. 4. **Appeal.** The permittee may appeal the revocation according to Minnesota
40.7 Statutes, section 93.50.

40.8 **6124.3800 ASSIGNMENT.**

40.9 A gas resource development permit may be assigned only if the commissioner
40.10 determines that the assignee will perform all outstanding obligations under parts 6124.0100
40.11 to 6124.5200, other applicable law, and the gas resource development permit. An assignee
40.12 must have the technical and financial capability to perform the required operations.

40.13 **6124.3900 PUBLICATION.**

40.14 Subpart 1. **Application notice.** When notice that an application for a gas resource
40.15 development permit has been received is required to be published in the State Register, the
40.16 notice must include a description of the proposed gas resource development operations,
40.17 including planned reclamation activities.

40.18 Subp. 2. **Issuance notice.** When notice for issuing a gas resource development permit
40.19 or spacing order is required to be published in the State Register, the notice must contain:

40.20 A. a description and map indicating the locations and boundaries of the gas
40.21 resource development locations and associated spacing unit;

40.22 B. the means of obtaining a summary of surface and mineral ownership within
40.23 the associated spacing unit, based on information provided by the applicant; and

40.24 C. the means of obtaining a copy of the draft permit or draft spacing order.

41.1 Subp. 3. **Amendment notice.** When notice for amending a gas resource development
41.2 permit or spacing unit is required to be published in the State Register, the notice must
41.3 contain:

41.4 A. a description of the purpose and nature of the proposed amendment; and

41.5 B. the means of obtaining a copy of the draft permit amendment or the draft
41.6 spacing order amendment.

41.7 Subp. 4. **Public meeting notice.** When the commissioner determines that a public
41.8 informational meeting will be held according to part 6124.3000, subpart 4, or 6124.3200,
41.9 subpart 3, the commissioner must publish notice of the meeting details in the State Register
41.10 at least 30 days before the meeting.

41.11 **6124.4000 INSPECTING GAS RESOURCE DEVELOPMENT LOCATIONS.**

41.12 A permittee must allow the commissioner to inspect any gas resource development
41.13 operation, facility, or location and any associated records to monitor compliance with the
41.14 gas resource development permit and parts 6124.0100 to 6124.5200.

41.15 **POOLING AND SPACING**

41.16 **6124.5200 POOLING AND SPACING.**

41.17 Subpart 1. **Spacing unit.**

41.18 A. An operator must apply to the commissioner for a new spacing unit associated
41.19 with a gas resource development permit involving a gas well or set of gas wells that the
41.20 operator plans to drill at one or more gas resource development locations. A proposal to
41.21 establish a new spacing unit must be included in an application for a gas resource
41.22 development permit.

41.23 B. The proposed spacing unit must include the maximum area that can be
41.24 efficiently and effectively drained by the operator's well or set of wells. The minimum area

42.1 of a proposed spacing unit is a quarter-quarter section of land. For the purpose of complying
42.2 with Minnesota Statutes, section 93.513, subdivision 1, a spacing unit is equivalent to a
42.3 permitted extraction area.

42.4 Subp. 2. **Spacing unit boundaries.** A spacing unit proposal must include information
42.5 to determine whether proposed gas resource development operations within the proposed
42.6 spacing unit will efficiently and effectively drain the unit's gas resources. A spacing unit
42.7 proposal must include:

42.8 A. a description of the proposed spacing unit boundary that identifies the location
42.9 of a proposed gas well or wells;

42.10 B. a map that shows the location and boundary of the proposed spacing unit, with
42.11 associated geospatial metadata;

42.12 C. a map identifying ownership of all land and mineral interests in the spacing
42.13 unit;

42.14 D. geologic and engineering data used by the applicant to determine the boundaries
42.15 of the proposed spacing unit;

42.16 E. the applicant's certification that the applicant will conduct gas resource
42.17 development operations in the proposed spacing unit to protect and minimize adverse impacts
42.18 to public health, safety, and welfare; the environment; and wildlife resources; and

42.19 F. any additional information necessary to evaluate a spacing unit application.

42.20 Subp. 3. **Demonstrating control.** An applicant for a gas resource development permit
42.21 must meet any statutory requirements for control of mineral rights within an established
42.22 spacing unit. Documentation establishing the applicant's control of mineral interests within
42.23 a proposed spacing unit must be included in a gas resource development permit application.
42.24 If the commissioner determines that a spacing unit will differ in areal extent from the
42.25 proposed spacing unit, the applicant must provide an amended application, including any

43.1 required supplemental documentation of the applicant's mineral interest control. Acceptable
43.2 forms of documentation include:

43.3 A. a mineral deed;

43.4 B. a mineral lease or memorandum of lease; or

43.5 C. a voluntary pooling agreement according to subpart 4 or any other agreement
43.6 confirming the applicant's right to drill into and produce from a pool or a memorandum of
43.7 such agreement.

43.8 Subp. 4. **Pooling.** When two or more separately owned tracts, including any
43.9 state-owned tracts, are embraced within a spacing unit or when there are separately owned
43.10 interests in all or a part of the spacing unit, then persons owning the interests may pool their
43.11 interests for developing and operating the spacing unit. A pooling agreement must be in
43.12 writing and signed by all parties whose interests are subject to the agreement.

43.13 Subp. 5. **Establishing spacing unit.** The commissioner must determine whether to
43.14 approve, approve with modifications, or deny a proposed spacing unit by considering whether
43.15 the proposed spacing unit:

43.16 A. prevents waste of gas resources;

43.17 B. avoids drilling unnecessary wells; and

43.18 C. protects correlative rights.

43.19 Subp. 6. **Modifying established spacing unit.**

43.20 A. An operator may request modifying a spacing unit according to item B, or the
43.21 commissioner must order modification according to item C. To prevent or assist in preventing
43.22 waste, to avoid drilling unnecessary wells, or to protect correlative rights, the size of the
43.23 established spacing unit may be decreased or increased or additional wells may be permitted
43.24 to be drilled within the established spacing unit.

44.1 B. An operator must apply for an amendment to the operator's issued gas resource
44.2 development permit under part 6124.3200 to propose modifying the associated spacing unit.
44.3 An amendment application that would change the size of an established spacing unit must
44.4 include the information required in subpart 2 and demonstrate control of the proposed
44.5 modified spacing unit as required in subpart 3.

44.6 C. The commissioner must order modification of an established spacing unit upon
44.7 the commissioner's own initiative when new geologic or engineering information becomes
44.8 available that requires changes in the size of the established spacing unit to meet the
44.9 requirements established in subpart 1. The commissioner must modify the spacing order
44.10 and the gas resource development permit based upon the updated spacing unit.

44.11 D. A permittee or interested party may appeal an order that changes the size of
44.12 an established spacing unit under Minnesota Statutes, section 93.50.

44.13 **Subp. 7. Provisional spacing unit.**

44.14 A. If the commissioner is unable to determine, based on information in the gas
44.15 resource development permit application, the existence of a developable gas resource, the
44.16 appropriate acreage to be included within a spacing unit, or the shape of a spacing unit, the
44.17 commissioner must establish a provisional spacing order to obtain evidence as to the existence
44.18 of a gas resource and the appropriate size and shape of the associated spacing unit. In
44.19 establishing the size and shape of the provisional spacing unit, the commissioner must
44.20 consider all applicable and available information, including the size and shape of spacing
44.21 units previously established by the commissioner for comparable areas of the same geologic
44.22 rock formation.

44.23 B. A gas resource development permit that is issued based on a provisional spacing
44.24 order allows the permittee to drill gas wells and conduct gas resource development operations
44.25 to provide the data necessary to evaluate the provisional spacing unit. The permittee must
44.26 submit to the commissioner the data necessary to determine whether the provisional spacing

45.1 unit should be converted to an established spacing unit or if a different spacing unit should
45.2 be established.

45.3 C. Commercial production of gas resources is prohibited until a provisional spacing
45.4 order is converted to an established spacing unit and the permittee demonstrates control of
45.5 the established spacing unit according to subpart 3.