

SUMMARY *of* PROCEEDINGS



SELECT FEDERAL NATURAL RESOURCE MANAGEMENT COMMITTEE

COMMITTEE MEETING INFORMATION

October 6, 2023 | 8:30 AM
Thyra Thomson State Office Building, Round House Conference Room, 3rd Floor, Room 3024
444 W Collins Drive
Casper, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Brian Boner, Co-chairman
Representative Scott Heiner, Co-chairman
Senator Affie Ellis (Remote)
Senator John Kolb
Representative Reuben Tarver
Representative John Winter

LEGISLATIVE SERVICE OFFICE STAFF

TaLise Hansen, Staff Attorney
Sheri Briggs, Bill Processing Specialist
Katie Talbott, Legislative Editor
Eve Hamilton, Legislative Editor

OTHERS PRESENT AT MEETING

Please refer to **Appendix 1-02** to review the Committee Sign-in Sheet
for a list of other individuals who attended the meeting.

The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at lso@wyoleg.gov. The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at www.wyoleg.gov.

EXECUTIVE SUMMARY

The Select Federal Natural Resource Management Committee (Select Committee) met for one day in Casper. The Select Committee considered bill drafts regarding conveyances to the United States and mineral royalties. The Select Committee received updates on federal litigation, oil and gas leasing, carbon storage, and wild horses. The Select Committee also received testimony from the Bureau of Land Management (BLM) and stakeholders on the BLM's proposed Rock Springs Resource Management Plan. The meeting can be viewed on the Wyoming Legislature's YouTube page - Select Federal Natural Resource Management Committee, October 6, 2023 (**AM**) and (**PM**).

The Select Committee requested bill drafts regarding directing the governor to cease cooperation with federal land management agencies when the agencies pursue policies that harm Wyoming and authorizing a full-time position in the governor's office to protect Wyoming's state interests from federal government overreach. The Select Committee voted to submit an official comment letter on the BLM's Rock Springs Resource Management Plan. The Select Committee also voted to draft a letter to Governor Gordon regarding a Freedom of Information Act (FOIA) request on the BLM's Rock Springs Resource Management Plan.

CALL TO ORDER

Co-Chairman Boner called the meeting to order at 8:33 a.m. The following sections summarize the Select Committee proceedings by topic. Please refer to **Appendix 1-01** to review the Select Committee Meeting Agenda.

24LSO-0122, CONVEYANCES TO UNITED STATES—RIGHT OF REFUSAL BY STATE.

Representative Knapp provided an overview of 24LSO-0122 Conveyances to United States-right of refusal by state, which grants the state of Wyoming the right of first refusal for real property conveyances to the United States and federal agencies **Appendix 2-01**.

Jason Crowder, Deputy Director, Office of State Lands and Investments, discussed his concerns with the bill including funding hurdles and the timeline to review and exercise the right of first refusal. He mentioned that the timeline would need to be assessed on a case-by-case basis.

Public comment

No public comment was provided on this topic.

Committee Action

The Select Committee took no action on this bill draft.

24LSO-0121, MINERAL ROYALTIES—PROPORTIONAL SEVERANCE TAX REFUNDS

Co-Chairman Boner and TaLise Hansen, Staff Attorney, Legislative Service Office (LSO), provided a summary of 24LSO-0121 Mineral royalties-proportional severance tax refunds, which establishes severance tax refunds for specified oil, gas, and coal severance taxes based on increased federal mineral royalty rates **Appendix 3-01**. The fiscal note was also provided **Appendix 3-02**.

Craig Grenvik, Mineral Tax Division Administrator, Department of Revenue, discussed the process for implementing the bill including the refund application process and the process to issue the severance tax refunds. He did not foresee the need for any additional positions in his office to administer this act.

Jeremiah Rieman, Executive Director, Wyoming County Commissions Association, discussed federal mineral royalty rates including its effect on severance taxes. He also provided background information on severance taxes and how the county distributes the portion they receive.

Emily Paravicini, Sublette County Treasurer, Wyoming County Treasurers Association, voiced concerns on future unknown ramifications this bill could have. She further noted that she does not anticipate this bill will pose a burden to her office personnel, but her office may need to change software.

Pete Obermueller, President, Petroleum Association of Wyoming, is in favor of this bill draft. He stated the federal government increased federal mineral royalty rates and, as a result, the state has a reduced amount in ad valorem taxes. He explained ad valorem taxes are decreasing for our counties and stated a redirection of federal mineral royalties will help the counties. He also provided examples of how Wyoming can invest and help our economy.

Public comment

Representative Stith provided public comment regarding a proposed amendment that would require the refund issued to the taxpayer to be invested in Wyoming.

Committee Action

Co-Chairman Boner directed LSO to add an amendment to 24LSO-0121 that would require the refund issued to the taxpayer to be invested in Wyoming and to consider the revised bill at the next meeting.

FEDERAL LITIGATION UPDATE

David Dewald, Deputy, Water and Natural Resources Division, Wyoming Attorney General's Office, provided an update on his office's process on federal litigation. He testified that he is proud of the federal litigation House Bill 300 program and when his office is fully staffed, they can handle the caseload.

Travis Jordon, Senior Assistant Attorney General, Water and Natural Resources Division, Wyoming Attorney General's Office, provided a list of current 2023 federal cases which includes issues relating to waters of the United States, oil and gas leasing, leases sales, Sage Grouse, grizzly bears, and other federal regulations **Appendix 6-01**.

Public comment

No public comment was provided on this topic.

Committee Action

The Select Committee took no action on this topic.

OIL AND GAS LEASING UPDATE

Kris Kirby, Associate State Director, BLM Wyoming, provided updates on oil and gas lease sales in Wyoming. Associate State Director Kirby testified that BLM Wyoming has held two oil and gas lease sales in June and September. She also testified that BLM Wyoming has approved over 550 applications for permits to drill in fiscal year 2023. She testified that the federal Inflation Reduction ACT increased the minimum bids at lease sales, royalty rates, and rental rates. She further discussed BLM's proposed updates to its onshore oil and gas leasing regulations including increasing the minimum lease bond amount, increasing the minimum statewide bonding amount, eliminating nationwide and unit operator bonds, and implementing additional protections for surface owners **Appendix 7-01**.

Bill Beck, Supervising Geologist/Branch Chief, Fluid Minerals, BLM Wyoming, discussed the number of oil and gas leases and explained the lease deferral process.

Colin McKee, Regulatory Affairs Director, Petroleum Association of Wyoming, provided updates on fluid mineral leases and expressed concern with BLM's proposed onshore oil and gas leasing rule **Appendix 7-02**. He testified how this proposed rule will affect oil and gas development in this state. He explained that the increase in the minimum lease bond amount and the minimum statewide bonding amount will negatively affect operators in the state. He also provided updates on first quarter competitive oil and gas lease sales **Appendix 7-03**. He further discussed the impact the proposed Rock Springs Resource Management Plan would have on existing oil and gas leases.

Joe Scott, Natural Resources Supervisor, Wyoming Oil and Gas Commission, discussed the state bonding requirements. He explained that there is a blanket statewide minimum bonding amount of \$100,000 which covers up to 10,000 feet and anything over that is bonded at \$10 per foot. He also noted that bonds can be issued from any approved bank.

Public comment

No public comment was provided on this topic.

Committee Action

The Select Committee took no action on this topic.

BLM POLICY ON CARBON STORAGE

Associate State Director Kirby discussed carbon storage projects involving injection of CO₂ to federal pore space. She testified that BLM Wyoming currently has three pending carbon sequestration pore space rights-of-way applications **Appendix 9-01**.

Travis Bargsten, Physical Scientist, BLM Wyoming, provided background information on federal and non-federal pore space. He stated BLM works with the Department of Environmental Quality to address carbon sequestration in the federal pore space rights-of-way. He mentioned that BLM is still developing a policy to supplement the current policy to monitor long-term maintenance on rights-of-way agreements and the liability of the injector. He noted that Wyoming has two pending pore space rights-of-way applications in the Rock Springs area.

Supervising Geologist Beck discussed the technical aspect of carbon sequestration.

Public comment

No public comment was provided on this topic.

Committee Action

The Select Committee took no action on this topic.

30 x 30 CONSERVATION PROGRAM

Rock Springs Resource Management Plan

Associate State Director Kirby provided information on the Rock Springs Resource Management Plan **Appendix 10-01**. She explained the history behind the plan including that the existing resource management plan was signed in August 1997 **Appendix 10-04**. She testified that the proposed Rock Springs Resource Management Plan is still in the draft stage and she encouraged the public to submit

substantive public comment on the plan. She mentioned that her office is not looking to increase employees based on this draft plan and the budget is not there to hire more BLM rangers.

Jennifer McConchie, Branch, Planning, Social & Cultural Resources Chief, BLM Wyoming, further discussed the general process for implementing a new resource management plan. She mentioned that resource management plans require evaluations every five years. She also discussed that travel management plans are separate plans that are evaluated through a similar review and public comment process.

Mr. McKee explained why the Petroleum Association of Wyoming is requesting the plan be withdrawn. He noted that his office would like to look at all the other alternatives the BLM has proposed so they can develop a position that oil and gas industry can work with. He mentioned that his office will be putting together a substantive comment to submit to BLM.

Angi Bruce, Deputy Director, Wyoming Game and Fish Department discussed her concerns with the plan. She noted that her office is not supportive of the plan and will be submitting a public comment to BLM.

Jim Magagna, Executive Vice President, Wyoming Stock Growers Association, discussed issues with the plan **Appendix 10-02**. He testified that he wants them to withdraw the plan, extend the public comment period, and propose a new plan that includes the travel management plan.

Brett Moline, Director of Public and Governmental Affairs and Kelly Carpenter, National Affairs, Wyoming Farm Bureau, discussed concerns with the plan and mentioned that Wyoming Farm Bureau will be submitting a public comment to BLM to withdraw the plan and replace the plan with another alternative **Appendix 10-03**.

Nolan Rap, Natural Resources Policy Advisor, Governor's Office, testified that Governor Gordon wrote a letter to BLM requesting the entire draft be withdrawn and be resubmitted with a cooperative alternative and also requested the public comment period be extended to 120 days **Appendix 10-05**.

Public comment

John Grossnickle, Sweetwater County Sheriff, voiced his concerns with this plan. He testified that if this proposed plan is set in place, his office will not cooperate with or assist with the plan and the detention center will not accept anyone brought to the jail for violation of the plan.

Taylor Jones, Sweetwater County Commissioner, testified that the county commissioners have written letters mirroring the governor's letter to withdraw the plan and extend the public comment period. He discussed several issues with the current proposed plan including rights-of-ways, recreation, and oil and gas leasing.

James Evans, Retired Petroleum Engineer with BLM, testified that he started working in the Rock Springs Field Office in 2013. He provided a brief history of all four management alternative plans and stated they developed the preferred Alternative B in one week but spent years working with cooperative agencies developing Alternative D. He also testified that BLM developed four transportation alternatives to go with the four management alternatives.

Micah Christensen, Natural Resource Counsel, Wyoming County Commissioners Association, testified that his office will be submitting a public comment to BLM to withdraw the preferred alternative. He noted his office will continue to work with BLM partners and industry partners to continue to uphold the BLM's mission for public lands and uphold the counties' mission.

Travis McNiven, Citizen of Wyoming, discussed the Federal Land Policy and Management Act. He stated the governor, county commissioners and other cooperating agencies have the most weight for submitting public comments to the BLM and they have the necessary expertise to develop land management plans for their agencies and counties.

Committee Action

Co-Chairman Boner moved for the Select Committee to submit an official comment letter on the BLM's Rock Springs Resource Management Plan requesting withdrawal of the current preferred alternative, request an additional 120 day extension to the public comment period if the plan is not withdrawn, and further provide a substantive comment regarding agriculture, minerals, energy, and recreation. Co-Chairman Boner further moved to allow any legislator to sign onto the Select Committee's public comment letter in support. The motion passed by voice vote.

Co-Chairman Boner moved to have LSO draft a bill to direct the governor to cease cooperation with federal land management agencies when they pursue policies that harm Wyoming including authority for state agencies to not comply with state statutes and regulations and to encourage local officials to not cooperate or assist the federal agencies when their policies harm Wyoming. Co-Chairman Boner further indicated that the bill draft should include an immediate effective date and a July 1, 2025 sunset date. The motion passed by voice vote.

Co-Chairman Boner moved to have LSO draft a bill to authorize a full-time position in the governor's office to protect Wyoming's state interests from federal government overreach. The motion passed by voice vote.

Senator Kolb moved to have LSO draft a letter to Governor Gordon regarding a Freedom of Information Act (FOIA) request on the BLM's Rock Springs Resource Management Plan. The motion passed by voice vote.

WILD HORSE UPDATES

Mr. Rap provided updates on wild horse and burro management. He discussed the two projects including the Wyoming Department of Corrections' Honor Farm Wild Horse Program and the Shoshone and Arapaho Tribal Fish and Game wild horse gathers **Appendix 12-01**.

Deputy Director Bruce testified that Wyoming Game and Fish provided comments and recommendations to BLM on wild horse roundups. She noted that her office works closely with BLM to help and assist with roundups and expressed the need for more roundups across the state.

Leslie Shakespeare, Superintendent, Bureau of Indian Affairs, provided a brief overview of the feral horse issue on the Wind River Reservation.

Pat Hnilka, United States Fish and Wildlife Service, provided an overview of feral horse over-abundance and ecological damage on the Wind River Reservation **Appendix 12-02**. He testified that feral horses are damaging the forage. He explained that since the roundups, the forage and wildlife have returned to the area. He testified about how critical it is to remove feral horses and a total of 6,500 horses have been removed from January through August of this year.

Art Lawson, Director, Shoshone & Arapaho Fish and Game Department, thanked the Select Committee for assistance with funding the programs. He stated in February 2023 approximately 2000 horses were rounded

up and that wildlife are returning to the reservation. He testified that they are not planning on doing anymore gathers this year but will continue to gather in the next few years.

BLM provided written comments, but did not testify on this topic **Appendix 12-03**.

Public comment

Travis McNiven, Representative, Northern Arapaho Business Council, provided public comment regarding wild horses. He stated he is very appreciative of the funding for the wild horse roundups and that this has been a huge success between all agencies.

Katie Cheeseborough, Executive Director, Wyoming Wild Sheep Foundation, provided public comment regarding her foundation's efforts to find other funds for these wild horse gathers. She testified that her foundation raised an additional \$300,000 from the initial investment and has submitted another proposal for additional funding.

Committee Action

The Select Committee took no action on this topic.

MEETING ADJOURNMENT

There being no further business, Co-Chairman Boner adjourned the meeting at 5:41 p.m.

Respectfully submitted,

Senator Co-Chairman Boner

Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	Legislative Service Office (LSO)
1-02		Sign-In Sheet	LSO
2-01	24LSO-0122, Conveyances to United States—right of refusal by state.	24LSO-0122 v0.5 Conveyances to United States—right of refusal by state.	LSO
3-01	24LSO-0121, Mineral royalties—proportional severance tax refunds	24LSO-0121 v0.3 Mineral royalties-proportional severance tax refunds.	LSO
3-02	24LSO-0121, Mineral royalties—proportional severance tax refunds	HB0163 - Fiscal Note	LSO
6-01	Federal Litigation Update	Wyoming Atty General FNRPA Case List	Wyoming Attorney General's Office
7-01	Oil and Gas Leasing Update	BLM Comments	Bureau of Land Management (BLM)
7-02	Oil and Gas Leasing Update	PAW Comments BLM Leasing Reform Proposals	Petroleum Association of Wyoming (PAW)
7-03	Oil and Gas Leasing Update	PAW Comments WY BLM Q1 2024 Lease Sale Draft EA	PAW
9-01	BLM Policy on Carbon Storage	BLM Comments	BLM
10-01	30 x 30 Conservation Program	Rock Springs RMP Link BLM	BLM
10-02	30 x 30 Conservation Program	Grazing Impacts -WSGA	Wyoming Stock Growers Association

10-03	30 x 30 Conservation Program	Comment RMP - WyFB	Wyoming Farm Bureau Federation
10-04	30 x 30 Conservation Program	BLM Comments	BLM
10-05	30 x 30 Conservation Program	Governor's Letter to BLM regarding Rock Springs RMP	Governor's Office
12-01	Wild Horse Updates	2022 Wy Session Laws Ch 97	Governor's Office
12-02	Wild Horse Updates	Feral Horse Presentation - USFS	United States Fish & Wildlife Service
12-03	Wild Horse Updates	BLM Comments	BLM