

Appendix J

Mineral Resources

Mineral Resources

With the exception of existing gas storage leases, no other extraction of mineral resources will be allowed in the Zoar Valley Unit. The procedures outlined below are for information purposes only.

Any party desiring to procure minerals, rocks or oil & gas resources (or the use of the mineral estate in the case of gas or liquid storage in geological formations) from the mineral estate under state lands included in this unit management plan, must obtain contractual rights (such as a lease contract) to those minerals from the appropriate state entity administering those resources. The party must also obtain appropriate consent (temporary revocable permit) from the state to access the surface estate during operations. Prior to the commencement of operations the appropriate permits must be obtained. These procedures are further outlined below.

Any activity involving the procurement of oil and gas resources and/or storage of gas and liquids in the subsurface on state lands in this unit management plan are administered by the NYS DEC Division of Mineral Resources. The procurement of minerals and rocks (inorganic substances), including the solution mining of minerals (such as salt) on these same state lands are administered by the Office of General Services. All activity associated with mining minerals and rocks, solution mining of minerals and oil & gas drilling, including production, are regulated by the NYS DEC Division of Mineral Resources (including the issuance of mining permits and drilling permits).

The surface estate of these state lands is managed through the NYS DEC Division of Lands and Forests or Division of Fish, Wildlife and Marine Resources. In the event the surface estate is to be used in the evaluation and/or extraction of mineral resources from state lands, a Temporary Revocable Permit (TRP) must be obtained from the NYS DEC Division of Lands and Forests prior to conducting any operations. It should be noted that if the mineral estate is under a lease agreement, only the lessee, or entities authorized by the Lessee, will be issued a TRP for these purposes.

It is NYS DEC policy to recommend excluding operations in surface areas with sensitive habitats (stream banks, wetlands, steep slopes, rare communities etc.) or intensive recreational use. Any proposal for mineral development other than oil and gas would require SEQR review.

Procedures for Oil & Gas Procurement

In the event a party has an interest in exploring and developing oil and gas reserves under lands administered by the NYS DEC. The NYS DEC will receive requests to nominate specific lands for leasing of the mineral rights. Prior to leasing lands where the mineral estate is owned by New York State, a thorough review of the lands nominated for leasing is conducted to determine:

- 1.) Which areas can be leased with full rights granted (100% surface entry and no special conditions required),**
- 2.) Which may require special environmental and safety conditions, and**
- 3.) Which may be leased with no surface-disturbance/entry conditions (non-drilling clause).**

This review is conducted by the area's land manager (Division of Lands and Forests or Division of Fish, Wildlife and Marine Resources) in coordination with the Division of Mineral Resources. A tract assessment is then conducted that identifies sensitive resources of the unit. These resources include certain management strategies, wetland, riparian zones, steep slopes, recreational trails and areas, unique ecological communities, habitat of rare and endangered species, archeological and cultural sites and scenic vistas and view sheds.

A public meeting will be held to provide information about natural gas development specific to the Unit and receive comments. A 30-day public comment period will follow. The Department will consider all comments prior to making a decision. If the Department decides to pursue leasing, the site specific conditions for limiting impacts on natural resources will be drafted by the Division of Mineral Resources in coordination with the Division of Lands & Forests and/or Division of Fish, Wildlife and Marine Resources and incorporated into contract documents. These conditions will include but not be limited to criteria for site selection, mitigation of impacts and land reclamation upon completion of drilling. A number of factors are considered. Riparian areas, steep slopes, significant recreation areas, presence of rare, threatened or endangered species or unique ecological communities, are all areas which may be excluded from surface disturbance. Certain land management strategies, such as reserves, where timber harvesting is precluded, which may be incompatible with oil and gas well development, may result in exclusion from surface disturbance. This determination is made as part of the tract assessment process on a case by case basis. Individual tract proposal reviews for each forest within this Unit have been completed, and determinations deciding which areas would be excluded from surface disturbance (should leasing be initiated) have been made. Included in the appendix are maps depicting these areas. Any parcel designated as a non-surface entry lease will no longer be subject to the process detailed above due to the prohibition of surface disturbance(s). Exceptions to these tract assessments are possible if additional analysis, protective measures, new technology, or other issues warrant a change in the compatibility status of an area.

If it is determined that oil and gas exploration and development can proceed on these State minerals, a lease sale is conducted. The DEC Division of Mineral Resources is the oil and gas leasing agent for these state lands. Lease sales are then conducted through a competitive bid process administered by the Division of Mineral Resources and in accordance with Article 23, Title 11 of the Environmental Conservation Law and State Finance Law.

Revenues from State Reforestation Areas and Multiple Use Areas (State Forests) are deposited into the General Fund while revenues from Wildlife Management Areas are deposited into the Conservation Fund.

In the event leases are granted and the drilling of a well is desired by the lessee on the leased property, an Application for Permit to Drill, Deepen, Plug Back or Convert a Well subject to the Oil, Gas and Solution Mining Law (form 85-12-5) must be submitted to the Division of Mineral Resources. Site-specific impacts will then be identified by NYS DEC staff during review process and inspection of the proposed well site. The Final Generic Environmental Impact Statement On the Oil, Gas and Solution Mining Regulatory Program (1992) is used to guide the Department in determining whether the proposal will have a significant impact on the environment. Conditions are then attached to the drilling permit as well as the Temporary Revocable Permit (TRP) which covers the mitigation and/or control of surface disturbances.

In the event underground pipelines are planned to transport gas and/or oil across state lands; the Division of Mineral Resources in conjunction with the Division of Lands and Forests, and Division of Fish, Wildlife and Marine Resources will coordinate with the mineral estate lessee to determine the best route for the pipeline(s). It should be noted that any pipelines greater than 1,000 feet in length and/or containing pressures greater than 125 pounds per square inch are regulated by the New York State Public Service Commission.

Once the proposal is approved, a drilling permit with site specific conditions is issued by the Division of Mineral Resources along with a Temporary Revocable Permit issued by either the Division of Lands and Forests or Fish, Wildlife and Marine Resources. These permits are administered by their respective programs and are designed to prevent and/or mitigate environmental impacts. Site inspections are conducted by the Division of Mineral Resources to ensure compliance with Article 23 of the Environmental Conservation Law and 6NYCRR Part 550 - 559. The Division of Lands and Forests or Fish, Wildlife and Marine Resources will also inspect the site to ensure compliance with the TRP.

Procedures for Mineral and Rock Procurement

In the event a party desires to explore and procure minerals and/or rock (including salt) from state lands. The party must be issued a permit, consent or lease of such duration as the commissioner may deem advisable, from the General Services Office, under Article 7 of the New York Consolidated Laws / Public Lands. Prior to operations, a Mining Permit or Drilling Permit in the case of solution mining, must be obtained from the Division of Mineral Resources and a Temporary Revocable Permit (for access and use of land) must be obtained from the Division of Lands and Forests or the Division of Fish, Wildlife and Marine Resources. Mining operations are regulated by the Division of Mineral Resources.

There are no mining contracts, permits, or operations on any areas in this unit management plan. Under Article 7 of the New York State Consolidated Laws, any citizen of the United States may apply for permission to explore and/or extract any mineral on State lands. However, current department policy is to decline any commercial mining application(s) pertaining to any lands covered by this unit management plan.

Surface Use for Evaluation of Mineral Resources

In the event a party desires to use the surface estate to conduct geophysical (such as a seismic survey), geochemical and/or surface sampling procedures on Department lands prior to, or after leasing they must first obtain a Temporary Revocable Permit (TRP) for the access and use of state lands. If the area is subject to a lease agreement, only the lessee, or parties authorized by the lessee, can be issued a TRP for these purposes. A TRP can be applied for through the NYSDEC Division of Lands and Forests, 182 East Union Street Suite 3 Allegany, NY 14706.

For further information contact the NYS DEC Mineral Resource staff, Region 9, 182 East Union Street Suite 3 Allegany, NY 14706. Additional contacts include; New York State Department of Environmental Conservation-Division of Mineral Resources- Bureau of Oil and Gas Regulation, 3rd Floor, 625 Broadway, Albany, New York 12233.

Management Objectives and Actions for Mineral Resources

Management Objectives	Mgt.	Management Actions	Frequency of Action
1. Decide to approve or not approve extraction of mineral resources.	1.0	Nominated properties are reviewed by Division of Mineral Resources (DMN) and Division of Lands and Forests (L&F) and Division of Fish, Wildlife and Marine Resources (Wildlife) per above process. Mining minerals are reviewed by Office of General Services (OGS) instead of the DMN. As Needed	
	1.1	A public meeting is held with a 30 day comment period after. As Needed	
If extraction is permitted...			
2. Execute consent contracts.	2.0	DMN conducts lease sale through competitive bid process and executes contracts for oil and gas. OGS executes contracts for minerals. As Needed	
3. Regulate operations; and access surface estate to extract mineral resources.	3.0	Division of Lands and Forests reviews proposed operations and if approved, issues a "Temporary Revocable Permit" Every Time	
	3.1	DMN reviews proposed operation and issues "Drilling Permit" or "Mining Permit". Every Time	
	3.2	DMN inspects & regulates operations, production and administers royalty payments to State. Every Time	
4. Monitor reclamation & well plugging	4.0	DMN enforces Rules and Regulations pertaining to plugging procedures. Every Time	
	4.1	DMN and L&F monitors and enforces surface reclamation. Every Time	
5. Administer mineral estate	5.0	DMN monitors lease, production and royalty payments for oil and gas. Every Time OGS does same for minerals.	

- 6. Pipeline access and construction**
 - 6.0 Granted and directed by terms of lease agreement administered by DMN. Every Time**
 - 6.1 L&F and/or Wildlife reviews proposed operations and if approved, issues a “Temporary Revocable Permit” (TRP) Every Time**
 - 6.2 Division of Lands and Forests and/or Division of Fish, Wildlife and Marine Resources enforce TRP provisions. Every Time**