

December 2025 Environmental Review Implementation Subcommittee meeting

Wednesday, December 17 from 1 – 4:00 p.m.

Join in person or online

- In person: [520 Lafayette Road, St. Paul, MN 55155](#), lower level conference rooms
 - Online: For the meeting link and more information, visit the [ERIS meeting webpage](#)
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Participating in board meetings

Attending in person

The Environmental Review Implementation Subcommittee (ERIS) will convene its meeting in person at the Minnesota Pollution Control Agency St. Paul office building. All visitors must sign in at the front desk.

Transportation options:

- Bicycle: Visit the [Saint Paul Bike Map](#) webpage for route information. Outdoor bicycle parking is available to the left of the front doors near the loading dock.
- Transit: Use [Metro Transit's Trip Planner](#) to determine the best routes and times.
- Car: You may park in a Visitor Parking space in the parking lot just outside the front door, or park in one of the visitor lots. The visitor lots are the Blue Lot (Olive St. and University Ave.) and the Jupiter Lot (on Grove St. across from the Ramsey County Law Enforcement Center); please see the [parking map](#). Parking in these lots is free of charge. You must register your vehicle at the front desk upon arrival.

Attending virtually

Members of the public may join the meeting virtually using the Teams link at the board meeting webpage link above. Please review the [Guide to Teams Participation](#) for additional information.

Accessibility

Please contact Environmental Quality Board (EQB) staff at least one week prior to the event at info.EQB@state.mn.us to arrange an accommodation. Meeting materials can be provided in different forms, such as large print, braille, or on a recording.

Public engagement opportunities at ERIS meetings

EQB encourages public input and appreciates the opportunity to build shared understanding with members of the public. The opportunities for public engagement for this meeting are below.

Public comment opportunities at ERIS meetings

EQB encourages public engagement and appreciates the opportunity to build shared understanding with members of the public. There are multiple ways to engage with staff and board members. One important way is to provide public comment at a board meeting.

The public comment period(s) at a board meeting provide an opportunity for members of the public to inform the board about their views related to the specific item under discussion or something related to the board's purview or authority. Tips for providing comments:

- Ensure that your comments are relevant and specific to the topic you are addressing.
- Say what you want the board to know or consider in moving forward with a piece of work.
- Identify a specific action that you want the Board to take.

If you have a question for the board or EQB staff, it will be noted by staff who will get back to you at a later time. This ensures that we have enough time at a meeting for all commenters to provide input to the board and that your questions can be fully considered.

Oral public comment



At each meeting, the agenda will show when ERIS will accept oral public comment. The chair will use their discretion to direct public comment and ensure the subcommittee's ability to effectively conduct business.

Procedure for giving oral public comment:

- **Virtual:** when prompted, use the "raise hand" feature in Teams, located at the top of your screen.
- **In person:** sign up at the welcome table before the meeting starts.
- When the chairperson calls on you to speak:
 - Introduce yourself before beginning your comment.
 - Please keep your remarks to the agenda item at hand.
 - Please be respectful of board members, staff, and other meeting participants. The chair, vice-chair, or other presiding officer will not tolerate personal attacks.
- The chairperson may limit commenters' time for remarks to ensure there is equal opportunity for the public to comment. Generally, your remarks will be limited to two (2) minutes.
- The chairperson may discontinue a commenter's time to speak if the comments are not reasonably related to the agenda item at hand.

Written public comment



You may submit written comment to EQB by emailing your letter to info.EQB@state.mn.us or mailing to: Environmental Quality Board, 520 Lafayette Road, Saint Paul, MN 55155. Comments must be received by EQB staff **by noon the day before the meeting**.

Staff will compile letters, make them available to members and the public, and attach them to the public record. Any written comments received after this deadline will be included in the next meeting packet.

Please only submit information that you wish to make available publicly. EQB does not edit or delete submissions that include personal information. We reserve the right to not publish any comments we deem offensive, intimidating, belligerent, harassing, bullying, or that contain any other inappropriate or aggressive behavior.

Agenda

Note that all listed times are estimates and are advisory only.

1. Welcome and roll call (1:00 pm)

Sarah Strommen – Chair, ERIS; Commissioner, Department of Natural Resources

2. Approval of consent agenda (1:10 pm)

- Meeting minutes from the March 19, 2025, Environmental Review Implementation Subcommittee meeting on packet page 5
- Meeting minutes from the June 18, 2025, Environmental Review Implementation Subcommittee meeting on packet page 9
- Preliminary agenda for the December 17, 2025, Environmental Review Implementation Subcommittee meeting

3. Executive Director’s report (1:15 pm)

Catherine Neuschler – Executive Director, EQB

4. ER program workplan status (1:25 pm)

Type of item: Informational

Summary: ERIS will get a high-level update on the status of the items on the environmental review program workplan for FY26.

Outcome: ERIS is informed about the progress of important environmental review work.

Presenter: Catherine Neuschler – Executive Director, EQB

5. Climate calculator update (1:35 pm)

Type of item: Informational

Summary: The staff and contractor have been working to make additions to the climate calculator, particularly to support quantitative analysis of mitigation actions. ERIS will get an update on the progress of the work to make these updates, which is expected to be complete by the end of March 2026.

Outcome: ERIS is informed about the progress of important environmental review work.

Presenter: Stephanie Aho – Greenhouse Gas Data Analyst, EQB

6. ER rulemaking updates (1:45 pm)

Type of item: Informational

Summary: In 2024 and 2025, the EQB was directed to undertake multiple environmental review rulemakings by the legislature. These rulemakings are in process, and staff will provide an update on the progress and plans for each rulemaking.

a. Energy rulemaking

Presenter: Kayla Walsh – Environmental Review Program Administrator, EQB

b. EIS scoping rulemaking

Presenter: Catherine Neuschler – Executive Director, EQB

c. Gas production rulemaking

Presenter: Jesse Krzenski – Environmental Review Program Director, EQB

Outcome: ERIS is informed about the individual rulemakings progress thus far, the next steps, and when Board approvals will be needed.

Public comment: ERIS will take public comment relating to in progress rulemakings.

Break (2:45 pm / 5 minutes)

7. AUAR use and guidance update (2:50 pm)

Type of item: Informational

Summary: EQB staff will provide a basic summary of the intent and purpose of the alternative urban areawide review (AUAR) process and discuss key concepts that frame when and how the AUAR is an appropriate alternative form of environmental review (applicability and validity). Staff will then discuss the goals of the ongoing process to update the AUAR guidance, and provide a high-level overview of planned changes.

Outcome: The Board better understands the AUAR process and can provide direction on additional needs for the guidance.

Presenter: Sarah Lerohl – Environmental Review Technical Assistance Administrator, EQB

8. Public comment (3:35 pm)

The board welcomes oral public comment on any of today's agenda items, or other relevant topics. Please see guidance and procedures on packet page 2.

9. Closing and adjournment (4:00 pm)



March 2025 Environmental Review Implementation Subcommittee meeting

Wednesday, March 19, 2025 | 1:00-4:00 p.m. | 520 Lafayette Road, St. Paul, MN 55155, lower level conference rooms and online via Teams.

Minutes

1. Welcome and roll call

Nancy Daubenberger, Commissioner of the Department of Transportation, EQB Chair acting as ERIS Chair, called to order the Environmental Review Implementation Subcommittee meeting.

Members present: Joseph Bauerkemper, Nancy Daubenberger, Rylee Hince, Todd Holman, Katrina Kessler, Paul Nelson

Members excused: Grace Arnold, Sarah Strommen

Proxies present: Melissa Kuskie (for Strommen), Marie Laverdiere (for Arnold)

EQB staff present: Catherine Neuschler, Stephanie Aho, Rebeca Gutierrez-Moreno, Colleen Hetzel, Hazel Houle, Jesse Krzenski, Sarah Lerohl, Priscilla Villa-Watt, Kayla Walsh

2. Approval of consent agenda

- Meeting minutes from September 18, 2024, Environmental Review Implementation Subcommittee meeting
- Proposed agenda for March 19, 2025, Environmental Review Implementation Subcommittee meeting

Motion: Member Kessler moved to approve the consent agenda; Member Bauerkemper seconded.

In favor: Bauerkemper, Daubenberger, Hince, Holman, Kessler, Nelson

Opposed: none

Excused: Arnold, Strommen

3. Executive Director’s report

Catherine Neuschler – Executive Director, EQB

- Legislative Update
 - Gas production – Bills SF2530 and HF2447 have been introduced to implement a temporary framework for gas production. The current versions of the bill do not include any of EQB staff’s recommendations related to environmental review; the Senate Environment and Natural Resources Committee will likely bring these up when discussing the bill
 - Off highway vehicles – Upcoming hearing on HF1012, a bill that would direct EQB to update the rules around environmental review for off-highway vehicle trails. There are concerns that the bill has a very short timeframe for making those rules and will be testifying accordingly.
 - There’s been a lot of interest in environmental review and other regulations for data centers, etc. in this legislative session.
- Sustainable Aviation Fuel – EQB staff, Catherine Neuschler, Sarah Lerohl, and Steph Aho, are also participating in an interagency task force to ensure that the state is ready to implement environmental review and permitting regulations to support production of sustainable aviation fuel, a low-carbon jet fuel that can be made from biomass, waste, electricity and that is a key near-term method to reduce greenhouse gas emissions from air transportation.
 - The Minnesota Pollution Control Agency (MPCA) has been following up with last month’s board meeting comments on greenhouse gas emissions and nitrate and water quality. Working with MPCA to find a good time for the EQB to get an update on the state’s revisions to the Climate Action Framework; hopefully sometime this fall. May have a chance to hear about the state’s overall nutrient reduction strategy, which is currently being updated.

4. Election of Chair

Type of item: Decision

Summary: Under the Committee’s operating procedures, the subcommittee is to elect a chairperson at their first meeting each year. The chair presides at ERIS meetings.

The acting chair announced that Member Strommen was interested in continuing as ERIS chair.

Motion: Member Kessler moved to re-elect Member Strommen as Chair of ERIS; Member Nelson seconded.

In favor: Bauerkemper, Daubenberger, Hince, Holman, Kessler, Nelson

Opposed: none

Excused: Arnold, Strommen

Outcome: ERIS re-elected Member Strommen as chair to serve until the first meeting in 2026.

5. ER Program FY25 work update

Presenter: Catherine Neuschler – Executive Director, EQB

Type of item: Informational

Summary: The executive director provided a brief update and overview of the work of the Environmental Review Program for FY25, including what has been accomplished, is in progress, and what is still upcoming.

Discussion:

- There was a question about legislation related to environmental review and data centers. EQB staff has been involved in legislation (HF28) to clarify that the things that are allowed by rule to go through an Alternative Urban Areawide Review (AUAR) can be evaluated that way and can move forward, even in the case where a project like a data center within a AUAR might trigger some additional separate environmental review. The legislation aims to be clear about those elements being separate pieces, but both applying as needed.
- There was a question about MPCA's efforts around cumulative impact assessment and whether that was designed to inform environmental review. EQB's goal for environmental review is for a lot of information to come out earlier in the environmental review process. MPCA's environmental review team is looking at how to pilot cumulative impacts assessment in environmental review. Colleen Hetzel is working with MPCA to see how EQB might, in the long-term, be able to provide things that might support that, e.g. guidance, form changes, rule updates, etc.

Outcome: ERIS was informed about progress on key work items.

6. 2024 Performance Report

Presenters: Jesse Krzenski – Environmental Review Program Administrator, EQB; Sarah Lerohl – Environmental review technical assistance and energy transition communities support, EQB

Type of item: Informational

Summary: Environmental Review Program staff provided an overview of program measures from 2024, and how those measures compare to past trends and help inform the effectiveness of the program. Staff also provided updates regarding data improvements that have taken place in 2024.

Discussion:

- There was a statement that it would be interesting to see how many Environmental Assessment Worksheets (EAW) lead to an Environmental Impact Statement, as there seem to be relatively few. Staff plan to track this information going forward.

- ERIS members identified that information about what mitigation measures were used in EAWs would be useful information. Staff are considering methods of obtaining this information in the future.
- ERIS members also identified that it would be interesting to have information about the time and value that Responsible Government Unit staff are taking before applications are submitted or determined to be complete or incomplete. Difficult to obtain this information with a quick survey.

Outcome: The Board was informed regarding the data representing the year of environmental review.

7. GHG Calculator Update

Presenter: Stephanie Aho – Greenhouse Gas Data Analyst, EQB

Type of item: Informational

Summary: The Climate Calculator Tool is being created to facilitate the quantification of greenhouse gas emissions required by question 18 of the Environmental Assessment Worksheet (EAW). A draft version of that calculator will soon be available to the public. Staff gave a background on the tool’s objectives and demonstrated the functionality of this draft calculator. Staff also discussed next steps in the process of finalizing the calculator for completion in early May, as well as the accompanying guidance and training that will become available in June.

Discussion:

- A guide on comparative analyses of calculator emissions totals would be helpful for users.

Public comment:

- Akilah Sanders-Reed: It would be helpful for decision makers and project proposers to have a comparative unit of measurement, to give a sense of scale, such as the greenhouse gas emissions of driving a midsize gas-powered vehicle 100 miles or operating a coal plant for a year.

Outcome: ERIS understands the functionality of the draft Climate Calculator Tool and the remaining project timeline.

8. Public comment

There were no comments.

9. Closing and adjournment

With no further business, the Chair adjourned the meeting.

June 2025 Environmental Review Implementation Subcommittee meeting

Wednesday, June 18, 2025 | 1:00-4:00 p.m. | 520 Lafayette Road, St. Paul, MN 55155, Conference rooms 200/201 and online via Teams

Minutes

1. Welcome and roll call

Sarah Strommen, Commissioner of the Department of Natural Resources, called to order the Environmental Review Implementation Subcommittee meeting.

Members present: Joseph Bauerkemper, Nancy Daubenberger, Rylee Hince, Sarah Strommen

Members excused: Grace Arnold, Todd Holman, Katrina Kessler, Paul Nelson

EQB staff present: Catherine Neuschler, Stephanie Aho, Rebeca Gutierrez-Moreno, Colleen Hetzel, Hazel Houle, Jesse Krzenski, Sarah Lerohl, Priscilla Villa-Watt, Kayla Walsh

2. Approval of consent agenda

A quorum was not present. The meeting continued with informational presentations following the preliminary agenda.

3. Executive Director's report

Catherine Neuschler – Executive Director, EQB

- Legislative Update
 - Environment Bill – The environment bill funds EQB at the levels recommended by the Governor; this includes a general operating increase to cover higher expenses, which is about a 3% increase on our base budget. There were also two policy provisions that impact EQB:
 - Petitions – The legislature modified 116D.04 related to petitions so that signatories must reside or own land in the county of the project and “adjoining” Minnesota counties.
 - Scoping for mandatory EISs – Currently, the process of doing an EIS always starts with an EAW; if the project triggers a mandatory EIS under Minn. R. 4410.4400, the EAW is used to

scope the EIS. The legislature directed EQB to change the requirements so that a project that triggers a mandatory EIS does not need to do an EAW. Some scoping is still required.

- Budget
 - The state government bill passed this year contains changes that allow for a longer time period to spend appropriated funds. This may allow EQB to spend some of our remaining funds in order to continue to improve the climate calculator tool.
- Calendar
 - Reminder the board will not meet in July
 - August meeting will likely be full and include a few decision items.
 - September would normally be scheduled as an ERIS meeting but we are likely to convert that to a full Board meeting due to the topics of interest.

4. Energy Infrastructure Rulemaking update

Presenter: Colleen Hetzel – Director Environmental Review Program, EQB

Type of item: Informational

Summary: EQB staff provided an update on progress in developing revisions to the provisions of Minn. R. 4410 related to energy infrastructure. These rules are being revised to conform with changes made during the 2024 legislative session in the Minnesota Energy Infrastructure Permitting Act. There are two potential approaches to conforming rule and statute.

- Adding in all project types listed in 216I to Minn. R. 4410 would create a clearinghouse of information for anyone looking for what needs to undergo environmental review. Everything would be located in one place.
- The second option is to remove the energy projects, that are identified in Minn. Stat. 216I, from the mandatory categories and create a new part of rule that refers to the rules and process in Minn. Stat. 216I. This would cleanly separate energy projects and have just the reference on where to find the process for environmental review. It also recognizes that these projects can still undergo an EIS but most projects no longer do an EAW for review and instead do an EA, an alternative form of environmental review.

Discussion:

- There was discussion about “associated facilities” – a new term in 216I – and a question of how projects would be identified as such.
 - The definition in 216I.02. Subd. 2. **Associated facility.** “Associated facility” means a building, equipment, communication instrumentation, or other physical structure that is necessary to operate a large energy infrastructure facility. Associated facility includes transmission lines designed for and capable of operating at 100 kilovolts or less that interconnect the large energy infrastructure facility with the existing high-voltage transmission system. This is more inclusive of peripheral buildings and similar items.
- Both draft approaches for conforming rule and statute are viable. The present members of ERIS and the staff expressed a slight preference for the second option – making a new rule part.

Public comment: There were no comments.

Outcome: ERIS members understand the goal, scope, and possible options for structuring the rule changes and provided feedback to the staff. Feedback will inform rule revisions, which will be presented for Board review and approval later this year.

5. ER FY26 proposed workplan

Presenter: Catherine Neuschler – Executive Director, EQB

Type of item: Informational

Summary: EQB staff provided a preliminary proposed workplan for the environmental review program in FY26. ERIS reviewed and discussed environmental review program work, including the status of ongoing work from the FY25 workplan and a draft workplan for FY26.

Discussion:

- A lot of positive feedback was given for including health impacts in environmental review in the workplan.
- If the continuous improvement timeline shifts to every four years, need to be sure that all public input, including that on other projects such as the mandatory category report, fits together.

Outcome: The Executive Director received feedback on environmental review program workplan items to incorporate into FY26 EQB workplan for board review and approval later in the summer.

Petition guidance update

Presenter: Jesse Krzenski – Environmental Review Program Administrator, EQB

Type of item: Informational

Summary: As highlighted in recent Environmental Review Performance Reports, EQB staff have been receiving an increased number of incomplete petitions for environmental assessment worksheets. In an effort to curb this trend, staff have been working to update guidance and provide a number of new tools to assist the public in assembling complete petitions.

Discussion:

- The revised petition requirements will be posted on the EQB website: “100 individuals who reside or own property in a Minnesota county where the proposed action will be undertaken or in one or more adjoining counties”
- The new petition template will include a line for the county of the petition and the county of those who sign.
- There will be the possibility of electronically signing the petition.
- The new guidance document will help petitioners and potential petitioners understand the process, and will encourage them to reach out to EQB staff with any questions.

Outcome: ERIS members were informed about new guidance being developed and provided feedback.

6. Public comment

There were no comments.

7. Closing and adjournment

With no further business, the Chair adjourned the meeting.

DRAFT

Memo

Date: December 5, 2025

To: Environmental Review Implementation Subcommittee

From: Jesse Krzenski, Environmental Review Program Director

RE: Mandatory category for gas production projects development update

This memo provides an update on the progress of work to develop a mandatory category for gas production. This memo serves to inform ERIS members to support discussion at meeting on December 17, 2025; those seeking more technical analysis and background to support the information within this memo should read the attached “Gas Production Discussion” document.

The “Gas Production Discussion” document is a draft in development to be used as part of the formal rulemaking process; it will be updated throughout rule development process. The document will be accessible to anyone (including the public, Court of Administrative Hearings (CAH), etc.) when the rules are proposed and placed on notice. A final version of that document will be attached to the order adopting rules as part of the final process.

Background

In February 2024, a helium exploration company confirmed that a site in northeastern Minnesota appeared to contain quantities of helium gas to support commercial production of both helium and carbon dioxide. In addition, state agency staff became aware that other gas exploration companies were identifying target areas for geologic hydrogen along the Midcontinent Rift System, which extends into Minnesota. The United States Geological Survey has [identified the Midcontinent Rift System](#) as one of the top two prospective regions for geologic hydrogen production in the United States.

Minnesota has not previously been the site of industrial extraction of gas. Because of the potential for these new project types to impact the environment, and the lack of existing regulations, the Legislature determined that Minnesota needed a framework of requirements to review and regulate these kinds of activities. The resulting [legislation](#), enacted in 2024, authorized the EQB to adopt or amend rules “to establish mandatory categories for environmental review as they pertain to “oil and gas production” utilizing the expedited rulemaking process. In April 2025, the board approved a [resolution](#) directing staff to begin the rulemaking process to develop mandatory categories of environmental review for gas production projects. Oil production projects will not be included in this rulemaking.

EQB staff have been researching gas extraction and production and coordinating with Tribal and other state agency staff in order to develop a proposed rule for the Board’s consideration. At this time, staff have developed key concepts for the components of a mandatory category rule. This memo provides an overview of the evaluation done to date, those rule concepts, and next steps. Attachment 1 includes more detailed technical information.

Mandatory categories overview

EQB's role in the state's framework to review and regulate projects is set out by the Minnesota Environmental Policy Act (MEPA). MEPA gives authority to the EQB to adopt rules for environmental review, and specifically to "establish categories of actions for which environmental impact statements and for which environmental assessment worksheets must be prepared" (Minn. Stat. 116D.04 Subd. 2a. (b)).

The EQB rules identify certain project types for which environmental review is mandatory. The mandatory categories require completion of an "environmental assessment worksheet" (EAW) or an "environmental impact statement" (EIS) depending on the project's potential for significant environmental effects. For projects that the EQB has determined *have* the potential for significant environmental effects, an EIS must be completed. Projects that *may* have the potential for significant environmental effects must complete an EAW.

The staff are proposing to move forward with developing a specific mandatory category for gas production projects; a project-specific mandatory category will best ensure that the right projects are reviewed at the right time to inform decisionmakers and the public about a project's potential environmental effects.

The remainder of this document and the attachment include:

- An overview of a typical gas development project and the possible environmental impacts
- An evaluation of how a gas development project might trigger existing mandatory categories (specifically those that are based on specific effects rather than project type)
- Reasons for a new mandatory category based on the specific potential impacts of these projects
- Potential mandatory category components

Concepts for a gas production mandatory category

While the need to develop a regulatory framework for gas production projects was largely driven by the potential for a project to extract helium gas, EQB staff believe that any mandatory category must be viable and useful over the long term. There is the potential for multiple types of gas production projects in Minnesota, and within those projects there may also be significant differences in how those projects are designed to extract and produce gas.

The mandatory categories rules need be written in a way that is broad enough to capture multiple gas production project types but also specific enough to require environmental review based on potential for significant environmental effects.

Mandatory categories include certain key components, which need to be considered and covered in developing the new rules for gas projects. The categories:

1. Identify the project type and/or project characteristics that require environmental review.
2. Identify the types of actions that may be taken within that project type that will drive the need for environmental review because they require government approvals and will cause physical manipulation of the environment. Examples include terms for actions like construction, expansion, development.
3. Define a threshold, often size or extent-based, which when exceeded indicates when the project type is required to complete an EAW or EIS.
4. Designate a Responsible Governmental Unit (RGU) to complete the review. RGU designation is based on which governmental unit has the greatest responsibility for supervising or approving the project.

The section below discusses how these concepts are being considered for gas production projects.

Defining gas production

The EQB staff propose to define gas production to include the extraction of gas from “consolidated or unconsolidated formations in the state,” and the “beneficiation of both hydrocarbon and nonhydrocarbon gases.” This decision is based on the definitions used by the legislature, which defined “gas or oil production” as including both “hydrocarbon and nonhydrocarbon gases, including noble gases”, Minn. Stat. 93.516. In the same section, the legislature defined “production” as including “extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state.”

Thresholds

EQB staff researched gas development projects and considered many project characteristics that could indicate when environmental review needs to be required (i.e. when a project may have potential for significant environmental effects and therefore should be required to complete an EAW or when a project does have the potential for significant environmental effects and therefore should be required to complete an EIS).

Staff have identified three different characteristics of a gas production project that could or should trigger environmental review. The exceedance of a threshold would indicate the need for mandatory environmental review and, depending on the determination of a project’s potential for significant environmental effects, would indicate the need for an EAW or an EIS.

EQB staff are considering the following thresholds, and plan to continue to move to develop these thresholds, subject to the advice and feedback of ERIS and the Board.

1. Size.

EQB staff are considering a threshold that would require environmental review based on the **number of production wells** to be included as a part of a gas production project. Size likely is the best way to anticipate a project’s potential impacts to the environment based on both construction- and operation-related aspects.

2. Location.

EQB staff are also considering a threshold that would require environmental review if a gas production project is **located within or is intending to extract gas from underneath certain sensitive or natural areas** within the state. A gas production project could be located almost anywhere in the state, but there are certain areas of the state that should require analysis prior to permitting to best understand those potential impacts due to their environmental sensitivity.

3. Project-specific characteristics.

EQB staff are also considering a threshold that would require environmental review based on whether the gas production project would include **injection** of substances in the subsurface in order to create a gas to eventually extract, enhance the recovery of the gas, or for waste disposal. Projects that involve these techniques pose special concerns due to the potential impacts from these techniques.

Based on the ongoing analysis of these thresholds, EQB staff currently believe that projects that may trigger size or location thresholds could likely be addressed using an EAW process, but potential project- specific innovative techniques likely require the level of analysis involved in an EIS.

RGU

Lastly, staff have identified the Department of Natural Resources (DNR) as the likely RGU for gas production projects. The DNR is the appropriate choice for serving as the RGU as this governmental unit has the greatest responsibility for supervising or approving a gas production project as a whole.

Coordination and engagement

As described in the attachment, EQB staff have been coordinating with Tribal staff throughout the process to keep Tribes informed of the rulemaking progress and also allow EQB staff to consider Tribal concerns. In addition, a memo providing an update about rule development progress thus far and an opportunity to provide input was sent to interested parties in October. Input has been received from Pulsar Helium and environmental NGOs in response to that memo.

Next steps

The legislation requires that agencies doing rulemaking for gas production publish the notice of intent to adopt rules by late May 2026. Subject to ERIS and Board discussion and direction, EQB staff plan to continue to analyze and develop the rule concepts that have been outlined in this document in order to have draft rule language available for Board to review and approve prior to the deadline.

Environmental review: Mandatory category for gas production projects

Draft rule summary and justification (in development)

Date: December 5, 2025

Introduction

Background

[Legislation](#) enacted in 2024 indicated the need for developing a regulatory framework for gas and oil production. The legislation directs the Department of Natural Resources (DNR) to [issue permits](#) and to adopt rules governing a variety of issues pertaining to gas production, [Minn. Stat. 93.514\(a\)\(4\)](#), while other state agencies, such as the Environmental Quality Board (EQB), “may adopt or amend rules”, [Minn. Stat. 93.514\(a\)\(3\)](#). The EQB was authorized to adopt or amend rules “to establish mandatory categories for environmental review as they pertain to “oil and gas production” utilizing the expedited rulemaking process.

In April 2025, the board approved a [resolution](#) directing staff to begin the rulemaking process to develop mandatory categories of environmental review for gas production projects. Oil production projects will not be included in this rulemaking.

EQB staff have been researching gas extraction and production and coordinating with Tribal and other state agency staff in order to inform the rule concepts.

Mandatory environmental review

The function of Minnesota’s environmental review program is to provide information about future projects so that decisionmakers have the information necessary to avoid and minimize damage to Minnesota’s environmental resources. The program accomplishes this by requiring certain proposed projects to undergo review, following defined procedures, prior to obtaining needed approvals and permits. Environmental review provides an opportunity for both the public and decisionmakers to understand a project’s potential for significant environmental effects prior to the project moving forward.

The Minnesota Environmental Policy Act (MEPA), Minnesota statute chapters 116D and 116C, establishes Minnesota’s environmental review program and the creation of the Environmental Quality Board (EQB). MEPA gives authority to the EQB to adopt rules for the environmental review program. Minn. Stat. 116D.04 Subd. 2a. (b) states “The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets must be prepared as well as categories of actions for which no environmental review is required under this section.”

Following this statutory direction, the EQB identifies in rule certain project types for which environmental review is mandatory. These rules are referred to as the mandatory category rules and define a threshold for when projects of the listed type may or will have the potential for significant environmental effects. If a project is of a type listed within the mandatory categories and meets or exceeds the thresholds defined by the rules, then environmental review is required.

The mandatory categories require completion of an “environmental assessment worksheet” (EAW) or an “environmental impact statement” (EIS) depending on the project’s potential for significant environmental effects. For projects that the EQB has determined *have* the potential for significant environmental effects, an EIS must be completed. Projects that *may* have the potential for significant environmental effects must complete an EAW.

Gas production projects

Background

In February 2024, a helium exploration company confirmed that the site of a previous accidental discovery of helium gas in the northeastern part of the state appeared to contain commercial quantities of helium gas. In its announcement, the helium exploration company suggested that it might be able to start commercial production of not just helium, but also carbon dioxide, within twelve to eighteen months.

At the same time, state agency staff became aware that other exploration companies were identifying drilling targets for geologic hydrogen in Kansas and Nebraska. These targets were located along a geologic formation known as the Midcontinent Rift System that extends northwards into Minnesota, from the Iowa border up to Lake Superior. The United States Geological Survey has [identified the Midcontinent Rift System](#) as one of the top two prospective regions for geologic hydrogen production in the United States.

Minnesota has not previously been the site of industrial extraction of gas, although it has a long history of other extractive industries, i.e., mining of sand, gravel, and iron ore. Because of the potential for these new project types to impact the environment, and the lack of an existing regulatory framework, the Legislature charged the state agencies with identifying how Minnesota should review and regulate these kinds of activities.

EQB’s role in developing this framework is in environmental review. Since 2024, the EQB staff have been involved in discussions about how gas production projects may or should be subject to environmental review requirements.

The staff are proposing to move forward with developing a specific mandatory category for gas production projects; a project-specific mandatory category will best ensure that the right projects are reviewed at the right time to inform decisionmakers and the public about a project’s potential environmental effects.

The remainder of this document provides support for establishing a mandatory category, along with proposed concepts for the key features of that mandatory category (such as the type of action and the threshold). This includes:

- An overview of a typical gas development project and the possible environmental impacts
- An evaluation of how a gas development project might trigger existing mandatory categories (specifically those that are based on specific effects rather than project type)
- Reasons for a new mandatory category based on the specific potential impacts of these projects
- Potential mandatory category components

As explained in more detail below, based on the evaluation of the existing mandatory categories ([Minn. R. 4410.4300](#) and [Minn. R. 4410.4400](#)) and the known environmental impacts associated with gas production, EQB staff concluded that a new mandatory category needs to be developed. While certain aspects of a gas production project might trigger existing mandatory categories – such as air pollution or land conversion – none of the existing categories appropriately encompass the full scope and impacts of a gas production project. As such, they will not adequately ensure review of all gas production projects that may have the potential for significant environmental effects. A specific mandatory category will be tailored to the characteristics of these projects that result in the potential for significant environmental effects; it will also be more clear, user-friendly, and better result in consistent application of the rules.

In creating a new mandatory category, there must be consideration of how to ensure the long-term viability and usefulness of the final rules. The need to develop a regulatory framework for gas production projects was largely spawned by a single project targeting helium. However, the potential for gas production projects in Minnesota contains more than one project type and within those projects there may also be significant differences in how those projects are designed to extract and produce gas. The mandatory categories need to consider not just the one known project that is actively being developed but also must consider other potential future project types and designs. The mandatory categories rules need to be written in a way that is broad enough to capture multiple project types but also specific enough to require environmental review based on potential for significant environmental effects.

Gas production

A typical gas production project includes exploration, development (including drilling and completion), production, and reclamation. During exploration, a project proposer first gathers information about a site and its gas deposit. The goal of exploration is to identify a suitable location for drilling a well in order to extract a gas. This step includes researching the geology to determine if the geology is favorable, or likely to result in a viable resource that can be extracted. This research may also include drilling exploratory borings to collect samples and complete subsurface measurements. From there, the next steps for development of a gas project include drilling, “completion” (as described below), and production. These steps typically involve the processes and time periods described below:

1. **Drilling** can typically take up to 50-60 days, but that time can vary significantly depending on a number of factors. Drilling starts with preparing the site (clearing and leveling) and setting up a drilling rig to drill a well and feed steel pipe into the well bore. Drilling fluid is often needed to facilitate the process. Safety equipment, such as a blowout preventer, is installed to prevent the gas from being released in rare, unexpected overpressure situations.
2. **Completion** is a one-to-five-week process where the steel pipe in the well is perforated to connect the well bore to the gas reservoir. As needed, additional recovery techniques such as hydraulic fracturing (for low permeability reservoirs) are applied. A series of valves is installed at the top of the well. Further equipment is then installed to allow for extraction of the gas.
3. **Production** from a completed well can last 20 - 50+ years. During the production step, the well is monitored, maintained, and managed. When a gas is extracted, it is typically made up of a combination of gases. For example, at the Minnesota site identified for helium production, the gas was documented as being comprised of helium, nitrogen, carbon dioxide, and methane. The target gas resource is typically separated from the gas stream and sent to an end user. The unwanted gas components are then disposed of according to applicable rules and regulations.
4. **Closure and reclamation** can typically last a few months depending on the overall size of the development. After the underground gas reservoir has been depleted the site must be closed. Any equipment is removed from the development, all wells must be sealed to protect groundwater resources, and the land returned to a natural state.

Typically, these stages are controlled by certain permits, approvals, or notifications to regulatory authorities. However, because this is a new project type in Minnesota, regulatory tools are either under development or existing tools must be adapted for use for this project type.

Potential environmental impacts

MEPA requires environmental review for any project where there is potential for significant environmental effects ([Minn. Stat. Sec. 116D.04, subd. 2a\(a\)](#)). MEPA required the EQB to establish “categories of actions” that require EAWs or EISs, [Minn. Stat. Sec. 116D.04, subd. 2a\(b\)](#). In evaluating whether gas production projects have or may have the potential for significant environmental effects, the EQB staff looked at the potential for environmental impacts from all stages of a gas resource extraction project, as described above. Based on available information, there are potential environmental impacts at the surface, the subsurface, and to the air as described below:

- **Surface impacts.** Initial development of the project location and ongoing operations may lead to potential environmental impacts to the surface, such as water quality impacts related to clearing land and construction of drilling pads, and roads to access extraction sites. Other surface impacts could occur as the result of truck traffic related to construction and gas removal, and noise, light, and odor.
- **Subsurface impacts.** The drilling of the wells, the extraction of the gas, and injection of drilling waste (if allowed) have the potential to cause pollution of groundwater. Additionally, depending on the type of operations, there may be potential for impacts to the geology or groundwater in the subsurface due to fracking or other types of enhanced recovery methods.
- **Air impacts.** Extracting and processing gas can lead to air impacts. Gas reservoirs can contain gas components with a variety of gases present such as helium, hydrogen, methane, carbon dioxide, nitrogen. Some of these components may not be desirable to a producer need to be disposed of, which could include processes such as venting and flaring. Potential air impacts also come from the operating equipment which is often powered by generators that will be running continuously.

The EQB must consider these potential impacts when determining whether gas production projects have potential for significant environmental effects and if so, which projects are properly first reviewed using an EAW rather than an EIS, and which projects should proceed directly to an EIS.

Existing mandatory categories

Prior to recommending the creation a new mandatory category, EQB staff evaluated if the existing mandatory categories would provide effective and efficient environmental review for the gas production projects expected to occur in Minnesota. This required researching gas production projects to understand all the aspects involved in developing such a project, as described above. This understanding was critical because the mandatory categories are written for specific project types, general project aspects, or specific environmental concerns. Because the mandatory categories are not all based on a specific project, this meant that a gas production project could potentially fit within a mandatory category based on the type of anticipated environmental effects from a gas production project. As described below, the existing mandatory categories did not properly align with a gas production project’s potential for significant environmental effects, supporting the need for a new mandatory category.

Gas production comparison to existing rules

When evaluating a new project type – such as a gas production – that contains features or characteristics that are shared with projects in existing mandatory categories, it must be determined if that new project type will have the same potential for significant environmental effects at those existing thresholds. For example, the land use conversion mandatory category defines that an EAW must be completed for the permanent conversion of 40 acres of land. However, the development of a gas production project that spans 40 acres of land is likely to have different environmental effects than the permanent conversion of 40 acres. This is because a gas production project will have additional operations that also have the potential for significant environmental effects – impacts that are were not considered in the development of the land conversion mandatory category.

The following is a summary of EQB staff's analysis of the existing mandatory categories that a gas production project could trigger, thereby mandating environmental review without the need to establish a classification specific to gas production projects. Because the mandatory categories below are a mix of project specific categories and categories developed for specific environmental concerns, the evaluation also considers how environmental concerns from projects falling into these existing categories compare to those of a gas production project.

- [Land use conversion](#) – A gas production project will require land development and will have environmental concerns associated with typical surface land use conversion, such as the creation of impervious surface that can add to stormwater runoff, or destruction of wildlife habitat. The existing mandatory category was written to capture large scale development scenarios such as golf courses and residential housing. In those cases, the concerns are heavily tied to the impacts of permanently altering multiple acres of natural land and not the operational impacts of a project that will be operating for a number of years and then go through closure and reclamation and restoration of natural resources. While the environmental effects of converting land for a new or different use are a concern for a gas production project, the conversion alone is likely not the only driver of potential environmental effects and the degree of land conversion required to mandate environmental review is likely not well correlated with the characteristics of a gas production project that may lead to the potential for significant environmental effects.
- [Air pollution \(greenhouse gas \(GHG\) emissions\)](#) – This mandatory category is meant to capture the largest emitters of air pollution. When it was created, it was anticipated that very few projects or project types would trigger only this category because projects are more likely to be captured within a different, project-specific, mandatory category (e.g. petroleum refineries and fuel conversion facilities). Gas production projects will have potential to impact the environment from GHG air emissions. But a gas production project may have the potential for significant environmental effects at a size that would likely result in GHG air pollution levels below existing thresholds.
- Industrial, commercial, and institutional facilities ([EAW](#), [EIS](#)) – While a gas production project could be considered an industrial project, it is unlikely to have the type of buildings and facilities that would trigger this mandatory category that is based on facility floor space. The effects of drilling, gas extraction, or beneficiation would not align with this category because large buildings would not likely be associated with the project. A specific aspect of gas production – such as building a large-scale gas liquefaction plant¹ – would have characteristics that are more closely associated with the facilities and environmental effects for which this mandatory category was written and could therefore fall under this existing mandatory category.
- Metallic ([EAW](#), [EIS](#)) and nonmetallic ([EAW](#), [EIS](#)) mineral mining or [water appropriations](#) – A gas production project could impact the subsurface as it involves removing material while drilling wells or potentially the use of techniques that would disturb subsurface formations. Groundwater removal and discharge may also be required. Existing mining mandatory categories and water appropriation categories address very different potential impacts to the subsurface and groundwater and do not align well with the aspects of a gas production project. Mining categories currently identify specific types of mining or materials to be mined (metallic, nonmetallic, peat), which do not apply to gas extractions. Water appropriations categories apply to very large new appropriations that are unlikely to be associated with a gas production project.

¹ Liquefaction involves cooling gas to a temperature below its boiling point so it can be stored and transported in its liquid phase.

In summary, gas production projects do not align with existing mandatory categories. Projects of this type were not anticipated and therefore were not incorporated into any of the existing mandatory categories. Proceeding with the assumption that a gas production project can fit within the existing rules is likely to result in projects that may have the potential or do have the potential for significant environmental effects not being properly reviewed. Creating amendments to existing mandatory categories necessary to incorporate gas resource production would likely only create confusion and complexity.

Creating a new mandatory category for gas production projects is the most effective way to identify and establish when a project of this type may have the potential or does have the potential for significant environmental effects and therefore should be reviewed before governmental action to approve the project is taken.

Additionally, having a new gas production category will make the rules easier to interpret, especially for gas production project proposers that are likely to be unfamiliar with Minnesota's environmental review rules. This will lead to more consistent and efficient implementation and allow both RGUs and project proposers to identify early on when a project will require environmental review. When the environmental review process is incorporated into the early planning of a project it helps achieve the goals and benefits of the program by identifying potential environmental effects and evaluating ways to possibly mitigate or avoid them.

Gas production mandatory category considerations

Mandatory category concepts

Mandatory categories include certain key components, which need to be considered and covered in developing the new rules for gas projects. The categories:

1. Identify the project type and/or project characteristics that require environmental review.
2. Identify the types of actions that may be taken within that project type that will drive the need for environmental review because they require government approvals and will cause physical manipulation of the environment. Examples include terms for actions like construction, expansion, development.
3. Define a threshold, often size or extent-based, which when exceeded indicates when the project type is required to complete an EAW or EIS.
4. Designate a Responsible Governmental Unit (RGU) to complete the review. RGU designation is based on which governmental unit has the greatest responsibility for supervising or approving the project.

The section below discusses how these concepts are being considered for gas production projects.

Mandatory category concepts for gas production

For the purposes of this rulemaking, the EQB staff propose to define gas production to include the extraction of gas from "consolidated or unconsolidated formations in the state," and the "beneficiation of both hydrocarbon and nonhydrocarbon gases." This decision is based on the definitions used by the legislature, which defined "gas or oil production" as including both "hydrocarbon and nonhydrocarbon gases, including noble gases", [Minn. Stat. 93.516](#). In the same section, the legislature defined "production" as including "extraction and beneficiation of gas or oil from consolidated or unconsolidated formations in the state."

Ultimately, these definitions and the mandatory category rules need to appropriately require environmental review for the projects we know are coming to Minnesota. However, the reality of potential gas production projects includes more variability than the one project that is currently developing in the state. There is potential for project proposals to extract and produce gas in a different way than the current active project. The rules cannot be based solely on the current expected activities. They must be broad enough to encompass future potential projects in a way that ensures the program is properly requiring environmental review for all gas production projects.

EQB staff researched gas development projects and considered many potential project characteristics that could indicate when environmental review needs to be required (i.e. when a project may have potential for significant environmental effects and therefore should be required to complete an EAW or when a project does have the potential for significant environmental effects and therefore should be required to complete an EIS).

Staff have thus far identified three different characteristics of a gas production project that staff believe could or should trigger environmental review. These characteristics are the basis for ongoing mandatory category threshold development. The exceedance of a threshold would indicate the need for mandatory environmental review and depending on the determination of a project's potential for significant environmental effects, would indicate the need for an EAW or an EIS.

EQB staff have considered the following thresholds:

1. Size.

EQB staff are considering a threshold that would require environmental review based on the **number of production wells** to be included as a part of a gas production project. Size likely is the best way to anticipate a project's potential impacts to the environment based on both construction- and operation-related aspects.

2. Location.

EQB staff are also considering a threshold that would require environmental review if a gas production project is **located within or is intending to extract gas from underneath certain sensitive or natural areas** within the state. A gas production project could be located almost anywhere in the state, but there are certain areas of the state that should require analysis prior to permitting to best understand those potential impacts due to their environmental sensitivity.

3. Project-specific characteristics.

EQB staff are also considering a threshold that would require environmental review based on whether the gas production project would include **injection** of substances in the subsurface in order to create a gas to eventually extract, enhance the recovery of the gas, or for waste disposal. Projects that involve these techniques pose special concerns due to the potential impacts from these techniques.

Based on the ongoing analysis of these thresholds, EQB staff currently believe that projects that may trigger size or location thresholds could likely be addressed using an EAW process, but potential project-specific innovative techniques likely require the level of analysis involved in an EIS.

Lastly, staff have identified the Department of Natural Resources (DNR) as the likely RGU for gas production projects. The DNR is the appropriate choice for serving as the RGU as this governmental unit has the greatest responsibility for supervising or approving a gas production project as a whole.

Threshold analysis and justification

As has been indicated throughout this document, environmental review is required for projects that **may** have the potential for significant environmental effects (EAW) and for projects that **do** have the potential for significant environmental effects (EIS). The thresholds that are created for a mandatory category must appropriately reflect the specific project's potential for significant environmental effects.

An earlier section in this document discussed potential environmental concerns from a gas production project. Those concerns are the root of determining when a gas production project should be required to do environmental review. Those impacts were summarized into three areas: surface, subsurface, and air. Existing mandatory categories support requiring a project with these types of impacts to undergo environmental review. But a gas production project does not fit well into the existing mandatory categories. EQB staff therefore are focused on developing a new mandatory category based on new thresholds that are specific to gas production projects.

The first step that was necessary to evaluate the environmental concerns of a gas production project required staff to begin looking at the necessary components (and related effects) of what would be considered the smallest possible gas production project. At a minimum, viable commercial gas production must include:

- A way to extract the gas, necessitating drilling at least one well
- A way to process or beneficiate the gas after extraction
- A way to deliver or ship the purified gas to an end user

Understanding the basic concepts of a developing a gas production project, we can then begin to analyze a project's potential for significant environmental effects. A typical project of this minimum build-out scenario likely does not reach the threshold of needing environmental review.

The sections below provide an initial evaluation of when variations of a gas production project - beyond this minimum project design – reach levels that have or may have the potential for significant environmental effects.

Size-based threshold

A size-based threshold was chosen as a starting block for determining potential for significant environmental effects. Such a threshold can encompass the impacts of a project as a whole. Based on information available to the EQB staff, it is unlikely that a commercial gas production project will only consist of a single production well. The typical development of oil and gas production consists of a development or a production area that contains multiple wells. A production area is created to simplify operations and allow for equipment, trucks, etc., to properly access the working site. Placing multiple wells within a single development or production area limits disturbance at the surface while being able to maximize production.

Staff looked at other states to understand how these projects are typically developed. For example, staff reviewed a helium gas production project plan from Colorado. This specific project started with two production wells and a single production facility. Over a few years the project expanded to consist of eleven production wells, all of which are connected via flowlines to a centrally located processing facility. This example is very useful in anticipating the type of development we are likely to see here in Minnesota.

Assuming gas production projects are likely to consist of multiple production wells within a single area (known as a well pad), with all wells connected to a centralized processing area, it is logical to use a project's number of production wells to create an environmental review threshold. Staff have also been analyzing the published flow rates and gas composition from the helium wells that have already been drilled in Minnesota to assist in the development of thresholds. With information about the amount of production that can be anticipated from a single well, it should be possible to extrapolate the potential environmental impacts if these projects consist of multiple production wells, including impacts from truck traffic and the potential air emissions. By combining that information with the analysis of potential impacts at the surface from the anticipated developments required, as well as the potential impacts to the subsurface from anticipated extraction and production strategies, it should be possible to determine thresholds applicable to gas production projects.

Published data from the helium wells in NE Minnesota have indicated various flow rates of both natural and pressurized scenarios. Publications of various compositions have also been published. EQB staff have been utilizing an expectation of 10.5% helium, 13.2% nitrogen, 2.4% methane, and 73.8% carbon dioxide. The development of these sites is anticipated to be one to two acres per production well, with an additional one to two acres for additional production space. This average development space is based on information from projects from Colorado as well as the information from the helium company who is developing the NE Minnesota project. While this data is only reflective of a helium gas project, it does inform our understanding about potential impacts from other gas production projects. The published data about flow rates that may be expected here in Minnesota can be useful in determining potential environmental effects even if the type of gas being targeted or the gas composition changes.

EQB staff believe that the mandatory category rules need to be effective in ensuring appropriate review for all potential variations on a gas production project, including projects targeting development of both hydrocarbon and non-hydrocarbon gases. Depending on the target gas for production, the composition of the gas is likely to have significant variability as well as the flow rates. This means that the data we have available to us is important to use as a guideline and the threshold determinations need ultimately consider these variabilities.

EQB staff are working with the available data to ensure that the thresholds for requiring environmental review are representative of current science and consistent with MEPA.

Location-based threshold

Gas production has the potential to be located in sites across the state. EQB staff believe that it would be appropriate to consider whether a project is located in “sensitive” areas in determining the need for environmental review. EQB staff are considering incorporating a location-based threshold (or a location-based variation to a size-based threshold) for a gas production project if it is to be located within or intends to extract gas from underneath areas of the state that are recognized as needing special protection.

Consideration of sensitive location is utilized in existing mandatory classifications. For example, there is an existing mandatory category that requires an EAW for any project located within certain natural areas (all of which are defined by DNR statutes), [Minn R. 4410.4300, Subp. 30](#). Similarly, some existing size-based thresholds are lower – requiring review of smaller projects – in certain sensitive areas. EQB staff plan to utilize similar already defined natural or sensitive areas.

Additionally, during Tribal coordination, there has been discussion about requiring environmental review based on a project’s location in treaty-ceded territory, near sites that have cultural significance to a Tribe, or based on impacts to treaty resources. EQB staff are continuing to consider this and the possibility of a different potential for significant environmental effects based on these considerations.

Project-specific characteristics threshold

The size- and location-based thresholds are meant to capture any gas production project, regardless of the type of gas they are extracting or how they intend to extract it. However, not all gas production projects are the same. There are certain components of gas production that, if implemented, likely increase the potential for significant environmental effects and would therefore require different evaluation.

One of these project specific characteristics is underground injection. EQB staff are currently evaluating whether a gas production project that proposes to use underground injection should be placed in a different mandatory review classification. Underground injection may be utilized in a gas well in a few different ways. One type of underground injection is “stimulated hydrogen.” The geology in certain areas of Minnesota may allow hydrogen gas to be created by injecting an aqueous solution to induce a reaction between the aqueous solution and the minerals within a targeted geologic formation. This type of project is mostly theoretical and there is limited information available depicting real world implementation of this project type. At this time, EQB staff feel this project type is different enough from a typical gas production project that this form of project should have its own threshold for requiring review.

The other two types of underground injection that EQB staff are exploring for developing a threshold for mandatory review are “fracking” or enhanced recovery methods and waste disposal. Projects may be designed to avoid these techniques; however, they are commonplace in parts of the oil and gas sector.² Fracking or enhanced recovery includes injecting fluids underground at high pressures to create new pathways for trapped gas within the geologic formations to ultimately be released and allow for improved extraction of the gas. Underground injection waste disposal is utilized in many oil and gas wells as a way to dispose of waste encountered during the drilling process and is often associated with brine waters.

² For example, Pulsar Helium has indicated no need to use these techniques in producing helium.

Underground injection wells are overseen by the Federal Government. However, most states with oil and gas developments have assumed authority to oversee and regulate this activity. Because Minnesota has had no history of oil and gas production there is very little history of underground injection wells in the state. EQB staff intend to evaluate the water use, potential groundwater impacts, and seismicity potential from underground injection in order to determine the need for environmental review from gas production projects that require underground injection.

Moving forward EQB staff would continue to monitor the impacts of underground injection with the requirements of the environmental review program as frameworks are developed within the state that would allow or introduce requirements for these actions.

Continued threshold analysis

At this point, EQB staff have researched gas production projects and acquired data and information necessary to make determinations about what types of gas production projects are likely to align with the requirements of MEPA in needing to complete environmental review. The next steps will include further analysis of the data and the research in order to make a final recommendation on the appropriate form of environmental review for these projects.

Coordination and Engagement

This section documents the coordination with Tribal staff and other engagement efforts taken by EQB staff up to this point. This document is intended to be added on to as the rulemaking process progresses. This section will be updated to reflect additional engagement efforts as well as documenting how these engagement efforts informed the rulemaking process and outcomes.

Tribal

EQB staff have been coordinating with Tribal staff throughout the process to keep Tribes informed of the rulemaking progress and also allow EQB staff to consider Tribal concerns.

- On June 26, 2025, a meeting was held after an invite was sent to Tribal environmental staff via MNTEC to share information about the rule process and to provide information about gas production projects and on how environmental review may be incorporated.
- After the June 26 meeting, tribal staff provided a copy of draft rule language that had been developed by some Tribal environmental staff. A meeting was held on July 15 to discuss that draft rule language. EQB staff identified portions of the draft language that is useful and will be considered moving forward and parts of the language that would be difficult to implement moving forward. There was also general discussion to gain clarity on the draft language.
- On September 19, 2025, a meeting was organized at the request of Tribal staff, so that Agency staff that participated in the GTAC process could provide an update on rulemaking for gas production projects. EQB staff's update largely recapped what had been shared with Tribal staff in previous meetings. Prior to this meeting, suggested draft rule language written by a group of Tribal staff (the Tribal Gas Extraction Task Force) was shared with all GTAC participating agencies. This Tribal Gas Extraction Task Force document contained suggested rule language pertaining to topics ranging across the entire framework development for gas resource projects, including environmental review.
- In response to the Tribal Gas Extraction Task Force document, EQB staff organized another meeting, held on October 20, 2025, to provide some responses to the Tribal draft language document as well as preliminary draft rule language. Documents were provided in advance, discussed at the meeting, and Tribal staff were asked to provide input by November 20, 2025, if possible. No additional input has been received to date.

Interested parties

A memo was sent out to interested parties on October 24, 2025, providing an update about EQB staff's progress thus far and also provided an opportunity to provide input to EQB staff regarding determinations about what type of gas production projects should require environmental review. Responses were received from Pulsar Helium, and other stakeholders asked for a short meeting where they could ask questions and provide input.

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