

**Kolman, Joe**

**From:** Williams, Bruce [Bruce.Williams@fidelityepco.com]  
**Sent:** Wednesday, June 14, 2006 12:59 PM  
**To:** Kolman, Joe  
**Cc:** Brian Cebul (E-mail); Peterson, Cynthia; Connie Iversen; Dan McGee; David Woodgerd; Doug McRae (E-mail); Jim Rogers (E-mail); Joe Owen; Lila Taylor; Michael Wheat (E-mail); Rep. Debby Barrett (E-mail); Rep. Jim Peterson (E-mail); Rep. Norma Bixby (E-mail); Rep. Rick Ripley (E-mail); Barrett, Dawn  
**Subject:** Comments on HB 790 report

Joe:

I'm offering the following comments as a subcommittee member, not as an official representative of Fidelity Exploration & Production Company. Fidelity may also offer comments on the report and proposed legislation before the June 30 deadline.

On page 2 of Findings and Recommendations, the top Finding now reads "Industry representatives testified that requiring surface use agreements and mandating ...". I suggest the wording should be changed to "Industry representatives and some landowners testified that requiring surface use agreements and mandating ...". Some landowner examples I found in the minutes were Sen. Keith Bales (9/15), Connie Morris (10/27), Carl Dewey (10/27) and Caroline (reported as Carol Ann) Hamilton (10/27).

On page 2 of Findings and Recommendations, under the topic "**Study how to address disagreements on estimated damages**", the final recommendation is that "EQC should support the effort of outside organizations that may offer mediation services to surface owners and mineral developers." I don't recall and could not find in the minutes that the subcommittee took any action that supports that recommendation. We discussed conflict resolution services several times and took action to state that at any time, with mutual consent, the parties could avail themselves of those services. I personally support the use of conflict resolution services in some instances. However, I don't think we recommended that the EQC support the effort of outside organizations. There is an identical recommendation on page 3 under the topic "**Explore approaches for balancing mineral rights and surface rights.**"

On page 2 of Findings and Recommendations, under the topic "**Study bonding requirements based on the type of activity**", I suggest changing the fourth finding to read "In addition to operator bonds, there exist several current funding sources for remediation of sites. Those sources include ..."

In instances where the subcommittee made no recommendation, I recommend changing the wording to "Based on the findings, the subcommittee has no recommendations." I believe there are four instances like this.

On page 3 of Findings and Recommendations, under the topic "**Explore approaches for balancing mineral rights and surface rights**", I recommend changing the wording of the first finding to read: "The law of split estates in this country provides that in order ..."

In Chapter 1, the bottom paragraph discussing federal minerals is confusing and doesn't agree with the data in Appendix E. The BLM does not "own" land; it manages and administers land owned by the United States. I recommend changing the second sentence to read: "In Montana, the federal government owns approximately 26 million acres of surface land and more than 37 million acres of mineral rights. Approximately 11.7 million acres of federal minerals are under private surface. The Bureau of Land Management manages all the federal minerals and approximately 8 million acres of the federal surface in the state. The state of Montana ..."

In Chapter 3, I don't see the value of including some media coverage in Appendix H. The record of the subcommittee speaks for itself and the media coverage, with the exception of the notices of subcommittee meetings, is not part of that record.

Bruce