

Idaho Oil and Gas Conservation Commission Open Meeting Checklist

Meeting Date: February 18, 2025

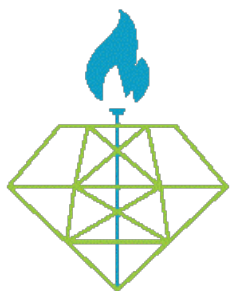
Regular Meetings

Date	Action
02/05/25	Notice of Meeting posted in prominent place in Idaho Department of Lands (IDL) Boise Director's office five (5) or more calendar days before meeting.
02/05/25	Notice of Meeting posted in prominent place in IDL Coeur d'Alene staff office five (5) or more calendar days before meeting.
02/05/25	Notice of Meeting posted in prominent place at meeting location five (5) or more calendar days before meeting.
02/05/25	Notice of Meeting published on Townhall Idaho website (https://townhall.idaho.gov) five (5) or more calendar days before meeting.
02/05/25	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) or more calendar days before meeting.
02/05/25	Notice of Meeting posted electronically on the OGCC website (https://ogcc.idaho.gov/) five (5) or more calendar days before meeting.
02/12/25	Agenda posted in prominent place in IDL Boise Director's office forty-eight (48) hours before meeting.
02/12/25	Agenda posted in prominent place in IDL Coeur d'Alene staff office forty-eight (48) hours before meeting.
02/12/25	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
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02/12/25	Agenda posted electronically on the OGCC website (https://ogcc.idaho.gov/) forty-eight (48) hours before meeting.
12/09/24	Annual meeting schedule posted – Boise Director's Office, Coeur d'Alene Staff Office, and OGCC website (https://ogcc.idaho.gov/)

Certification

Kourtney Romine
Recording Secretary

February 14, 2025
Date



Idaho Oil and Gas Conservation Commission

Ray Hinchcliff, Chair
Jennifer Riebe, Vice Chair
Margaret Chipman, Commissioner
Marc Haws, Commissioner

Shannon Chollett, Secretary to the Commission

Notice of Public Meeting February 2025

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on Tuesday, February 18, 2025, at the **Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd.**, Boise. The meeting is scheduled to begin at **1:30 PM (MT)**.

Please note meeting location.

Directions: Enter City Hall from Capitol Blvd.; take the Capitol Boulevard elevators to the 3rd floor; Council Chambers are directly across from the elevators.

The Oil and Gas Conservation Commission will conduct this meeting in person and by virtual means. This meeting is open to the public.
No public comment will be taken.

[View live streaming via YouTube:](#)

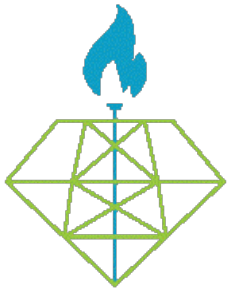
<https://youtube.com/live/JG0I1k-06xY?feature=share>

First Notice Posted: 02/05/2025-IDL Boise; 02/05/2025-IDL CDA

The Idaho Oil and Gas Conservation Commission is established by Idaho Code § 47-314.

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702

This notice is published pursuant to § 74-204 Idaho Code. For additional information regarding Idaho's Open Meeting law, please see Idaho Code §§ 74-201 through 74-208.



Idaho Oil and Gas Conservation Commission

Ray Hinchcliff, Chair
Jennifer Riebe, Vice Chair
Margaret Chipman, Commissioner
Marc Haws, Commissioner

Shannon Chollett, Secretary to the Commission

Final Agenda

Idaho Oil and Gas Conservation Commission Regular Meeting
February 18, 2025 – 1:30 PM (MT)
Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise

Directions: Enter City Hall from Capitol Blvd.; take the Capitol Boulevard elevators to the 3rd floor; Council Chambers are directly across from the elevators.

The Oil and Gas Conservation Commission will conduct this meeting in person and by virtual means. This meeting is open to the public.
No public comment will be accepted.

[View live streaming via YouTube:](#)

<https://youtube.com/live/JG0I1k-06xY?feature=share>

Announcements

No public comment will be accepted at this meeting.

Reports

1. Department Report – *Presented by Shannon Chollett, Division Administrator*
 - A. Financial Update
 - B. Current Oil and Gas Activity

Consent – Action Item(s)

2. Approval of Minutes – October 2, 2024 – Regular Meeting (Boise)

Information

3. Update on IDAPA 20.07.02 rules before the 2025 legislature - *Presented by James Thum, Oil & Gas Program Manager*
4. Presentation: Natural Gas Markets in the Pacific Northwest – *Presented by Randy Schultz, IGI Resources, Inc*

Regular – Action Item(s)

None

Executive

None

This agenda is published pursuant to § 74-204 Idaho Code. The agenda is subject to change by the Commission. To arrange auxiliary aides or services for persons with disabilities, please contact Dept. of Lands at (208) 334-0242. Accommodation requests for auxiliary aides or services must be made no less than five (5) working days in advance of the meeting. Agenda materials may be requested by submitting a Public Records Request at the [Idaho Department of Lands Contact Us](https://www.idl.idaho.gov/contact-us/) webpage: <https://www.idl.idaho.gov/contact-us/>



Idaho Statutes

Idaho Statutes are updated to the web July 1 following the legislative session.

TITLE 74
TRANSPARENT AND ETHICAL GOVERNMENT
CHAPTER 2
OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS – WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

- (a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;
- (b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;
- (c) To acquire an interest in real property not owned by a public agency;
- (d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;
- (e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;
- (g) By the commission of pardons and parole, as provided by law;
- (h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;
- (i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of

a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1)(a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote.

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

How current is this law?

Search the Idaho Statutes and Constitution

**Oil and Gas Regulatory Program
Activities Report as of September, 2024
Fund 16614 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2024	839,276.50		
Permits		1,300.00	1,300.00
*Severance Tax		4,234.82	6,374.05
Refund (previous year)		0.00	0.00
Other Revenue		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		5,534.82	7,674.05
Personnel Expenditures		(12,871.21)	(30,062.78)
Operating Expenditures		(119.54)	(212.42)
Capital Outlay Expenditures		0.00	0.00
Interagency Liability to be paid		0.00	0.00
P-Card Liability to be paid		0.00	0.00
Total		(12,990.75)	(30,275.20)
Ending Cash Balance 9/30/2024			816,675.35

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 16614 Oil and Gas Conservation Fund to defray the expense of the Oil and Gas Commission.

General Fund Regulatory Program Expenditures Report

Expenditures from General Fund FY25

Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	227,600.00	16,518.64	56,659.44	170,940.56
OE	81,300.00	5,282.65	10,229.06	71,070.94
CO	0.00	0.00	0.00	0.00
Total	308,900.00	21,801.29	66,888.50	242,011.50

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY25

Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	154,900.00	12,871.21	30,062.78	124,837.22
OE	58,600.00	119.54	212.42	58,387.58
CO	0.00	0.00	0.00	0.00
Total	213,500.00	12,990.75	30,275.20	183,224.80

**Oil and Gas Regulatory Program
Activities Report as of October, 2024
Fund 16614 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2024	839,276.50		
Permits		0.00	1,300.00
*Severance Tax		4,670.33	11,044.38
Refund (previous year)		0.00	0.00
Other Revenue		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		4,670.33	12,344.38
Personnel Expenditures		(10,164.97)	(40,227.75)
Operating Expenditures		(41.48)	(253.90)
Capital Outlay Expenditures		0.00	0.00
Interagency Liability to be paid		0.00	0.00
P-Card Liability to be paid		0.00	0.00
Total		(10,206.45)	(40,481.65)
Ending Cash Balance 10/31/2024			811,139.23

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General Fund Regulatory Program Expenditures Report

Expenditures from General Fund FY25

Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	227,600.00	16,832.61	73,492.05	154,107.95
OE	81,300.00	339.16	10,568.22	70,731.78
CO	0.00	0.00	0.00	0.00
Total	308,900.00	17,171.77	84,060.27	224,839.73

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY25

Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	154,900.00	10,164.97	40,227.75	114,672.25
OE	58,600.00	41.48	253.90	58,346.10
CO	0.00	0.00	0.00	0.00
Total	213,500.00	10,206.45	40,481.65	173,018.35

**Oil and Gas Regulatory Program
Activities Report as of November, 2024
Fund 16614 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2024	839,276.50		
Permits		0.00	1,300.00
*Severance Tax		3,342.86	14,387.24
Refund (previous year)		0.00	0.00
Other Revenue		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		3,342.86	15,687.24
Personnel Expenditures		(10,164.98)	(50,392.73)
Operating Expenditures		(279.10)	(533.00)
Capital Outlay Expenditures		0.00	0.00
Interagency Liability to be paid		0.00	0.00
P-Card Liability to be paid		279.10	279.10
Total		(10,164.98)	(50,646.63)
Ending Cash Balance 11/30/2024			804,317.11

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 16614 Oil and Gas Conservation Fund to defray the expense of the Oil and Gas Commission.

General Fund Regulatory Program Expenditures Report

Expenditures from General Fund FY25				
Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	227,600.00	16,638.96	90,131.01	137,468.99
OE	81,300.00	17,402.15	27,970.37	53,329.63
CO	0.00	0.00	0.00	0.00
Total	308,900.00	34,041.11	118,101.38	190,798.62

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY25				
Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	154,900.00	10,164.98	50,392.73	104,507.27
OE	58,600.00	279.10	533.00	58,067.00
CO	0.00	0.00	0.00	0.00
Total	213,500.00	10,444.08	50,925.73	162,574.27

**Oil and Gas Regulatory Program
Activities Report as of December, 2024
Fund 16614 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2024	839,276.50		
Permits		0.00	1,300.00
*Severance Tax		7,054.33	21,441.57
Refund (previous year)		0.00	0.00
Other Revenue		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		<u>7,054.33</u>	<u>22,741.57</u>
Personnel Expenditures		(7,946.60)	(58,339.33)
Operating Expenditures		(881.74)	(1,414.74)
Capital Outlay Expenditures		0.00	0.00
Interagency Liability to be paid		0.00	0.00
P-Card Liability to be paid		(279.10)	0.00
Total		<u>(9,107.44)</u>	<u>(59,754.07)</u>
Ending Cash Balance 12/31/2024			<u><u>802,264.00</u></u>

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 16614 Oil and Gas Conservation Fund to defray the expense of the Oil and Gas Commission.

General Fund Regulatory Program Expenditures Report

Expenditures from General Fund FY25				
Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	227,600.00	17,079.07	107,210.08	120,389.92
OE	81,300.00	2,998.27	30,968.64	50,331.36
CO	0.00	0.00	0.00	0.00
Total	<u>308,900.00</u>	<u>20,077.34</u>	<u>138,178.72</u>	<u>170,721.28</u>

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY25				
Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	154,900.00	7,946.60	58,339.33	96,560.67
OE	58,600.00	881.74	1,414.74	57,185.26
CO	0.00	0.00	0.00	0.00
Total	<u>213,500.00</u>	<u>8,828.34</u>	<u>59,754.07</u>	<u>153,745.93</u>

**Oil and Gas Regulatory Program
Activities Report as of January, 2025
Fund 16614 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2024	839,276.50		
Permits		0.00	1,300.00
*Severance Tax		6,709.65	28,151.22
Refund (previous year)		0.00	0.00
Other Revenue		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		<u>6,709.65</u>	<u>29,451.22</u>
Personnel Expenditures		(11,765.54)	(70,104.87)
Operating Expenditures		(41.49)	(1,456.23)
Capital Outlay Expenditures		0.00	0.00
Interagency Liability to be paid		0.00	0.00
P-Card Liability to be paid		0.00	0.00
Total		<u>(11,807.03)</u>	<u>(71,561.10)</u>
Ending Cash Balance 01/31/2025			<u><u>797,166.62</u></u>

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 16614 Oil and Gas Conservation Fund to defray the expense of the Oil and Gas Commission.

General Fund Regulatory Program Expenditures Report

Expenditures from General Fund FY25

Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	227,600.00	25,272.40	132,482.48	95,117.52
OE	81,300.00	659.38	31,628.02	49,671.98
CO	0.00	0.00	0.00	0.00
Total	<u>308,900.00</u>	<u>25,931.78</u>	<u>164,110.50</u>	<u>144,789.50</u>

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY25

Expenses	Allocation	Current Month	Year-to-Date	Balance
PC	154,900.00	11,765.54	70,104.87	84,795.13
OE	58,600.00	41.49	1,456.23	57,143.77
CO	0.00	0.00	0.00	0.00
Total	<u>213,500.00</u>	<u>11,807.03</u>	<u>71,561.10</u>	<u>141,938.90</u>

WESTERN SNAKE RIVER BASIN (WSRB) – WELL STATUS

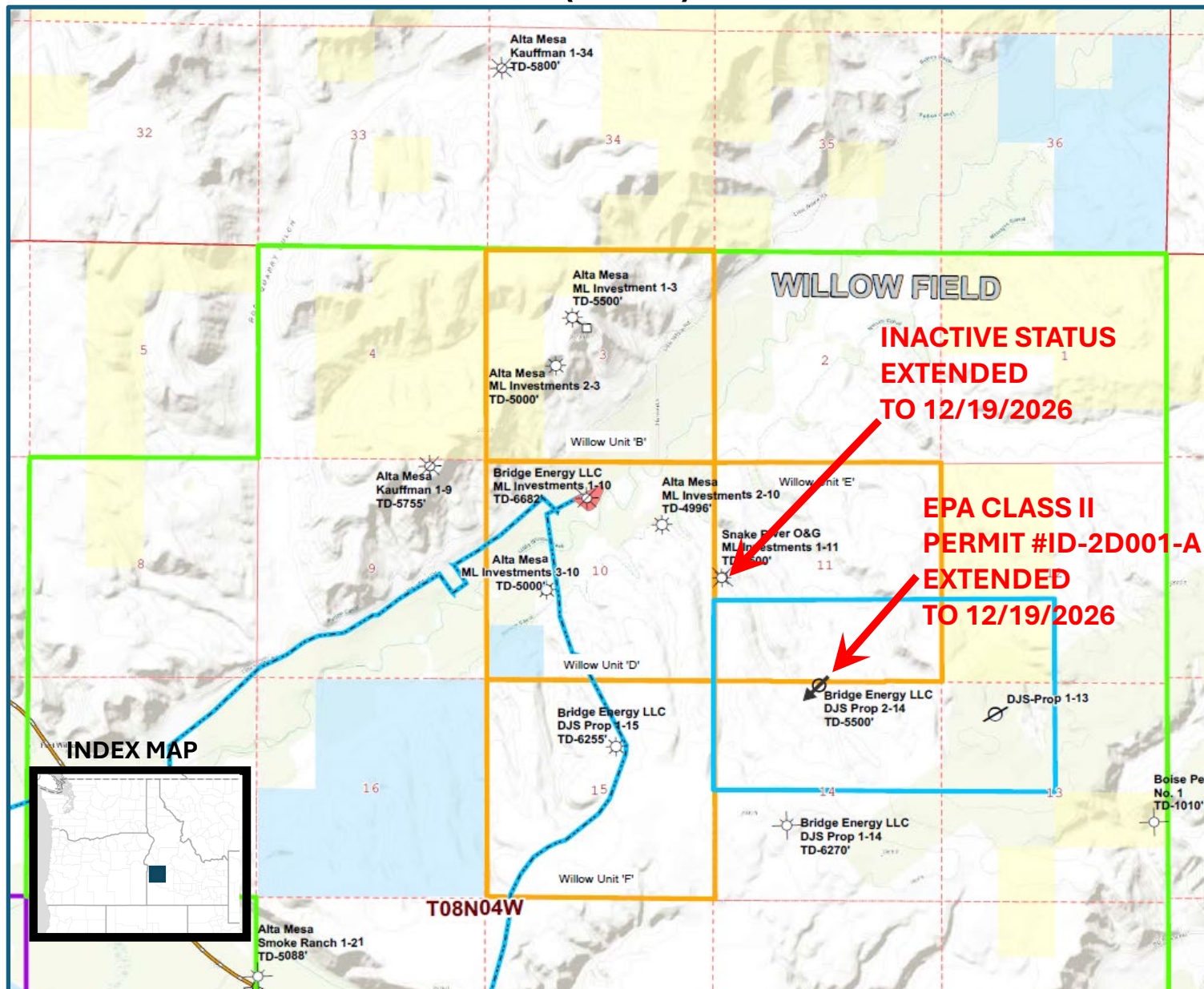
<i>No.</i>	<i>US Well Number</i>	<i>Operator</i>	<i>Well Name</i>	<i>Status</i>
1	11-075-20011	Snake River O&G	Tracy Trust #3-2	Shut in; pending P&A
2	11-075-20020	Snake River O&G	DJS Properties #1-15	Shut in
3	11-075-20022	Snake River O&G	ML Investments #2-10	Shut in
4	11-075-20023	Snake River O&G	DJS Properties #2-14	Shut in (Class II UIC)
5	11-075-20024	Snake River O&G	Kauffman #1-34	P&A
6	11-075-20025	Snake River O&G	ML Investments #1-11	Inactive /Shut in
7	11-075-20026	Snake River O&G	ML Investments #1-3	Shut in
8	11-075-20027	Snake River O&G	Kauffman #1-9	P&A
9	11-075-20029	Snake River O&G	ML Investments #2-3	Shut in
10	11-075-20031	Snake River O&G	ML Investments #3-10	Shut in
11	11-075-20032	Snake River O&G	Fallon #1-10	Producing
12	11-075-20033	Snake River O&G	Barlow #1-14	Producing
13	11-075-20036	Snake River O&G	Barlow #2-14	Producing
14	11-075-20037	Snake River O&G	Fallon #1-11	Shut in
15	11-075-20038	Snake River O&G	Dutch-Lane #1-13	Producing
16	11-075-20039	Snake River O&G	Irvin #1-19	Producing
17	11-075-20040	Snake River O&G	Barlow #3-14	Shut in



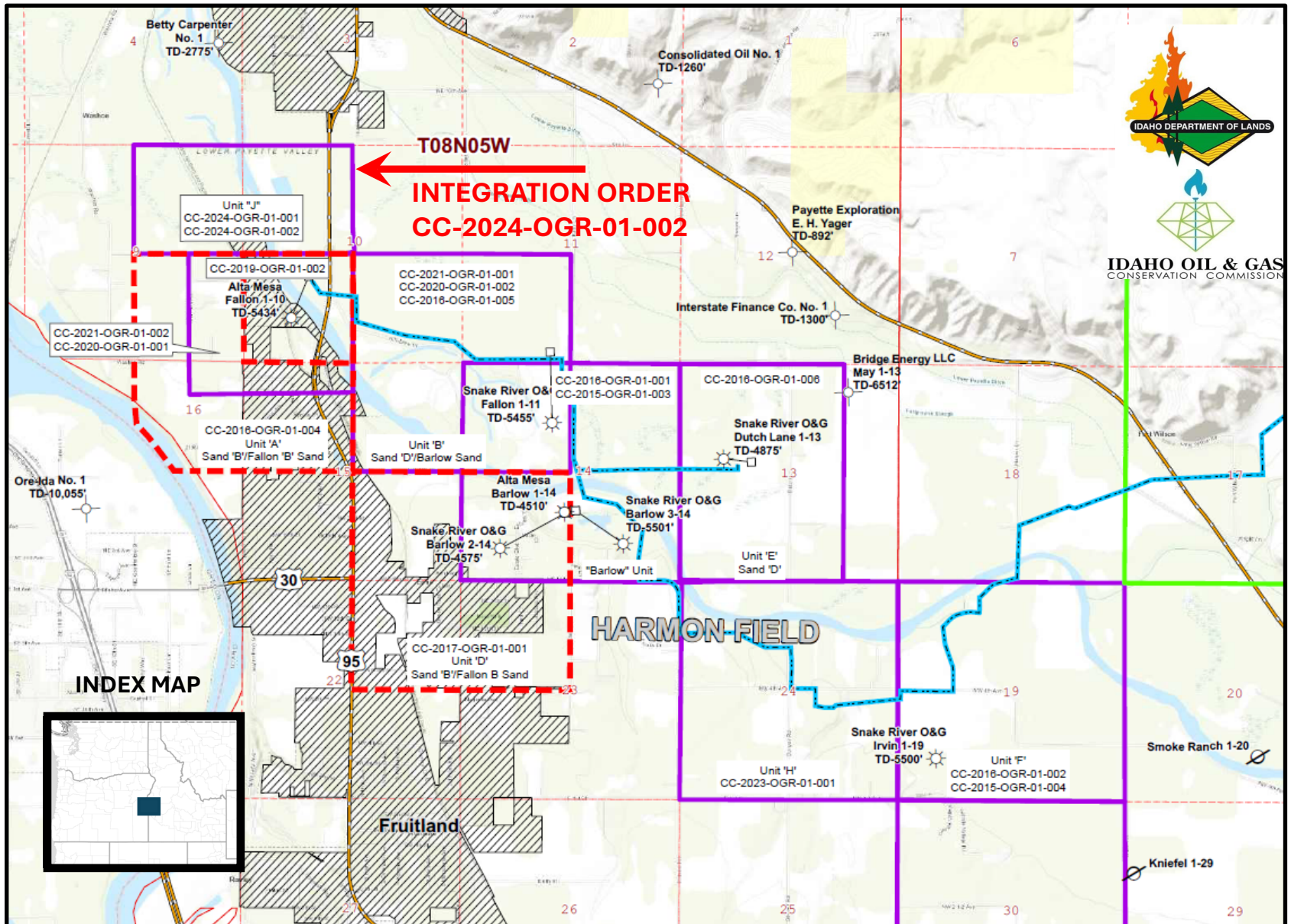
AVERAGE DAILY PRODUCTION – JULY 1 THROUGH DECEMBER 31, 2024:

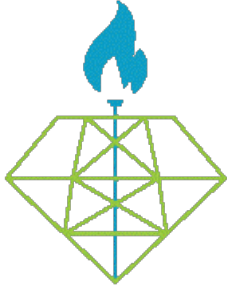
3.4 MMCFGD (MILLION CUBIC FEET OF GAS PER DAY)
65 BCD (BARRELS OF CONDENSATE PER DAY)
16 BWD (BARRELS OF WATER PER DAY)
2,221 GAL NGLs PER DAY (PLANT VOLUME)

WESTERN SNAKE RIVER BASIN (WSRB) – WILLOW FIELD AREA



WESTERN SNAKE RIVER BASIN (WSRB) – HARMON FIELD AREA





IDAHO OIL AND GAS CONSERVATION COMMISSION

Vacant, Chair
Ray Hinchcliff, Vice Chair
Margaret Chipman, Commissioner
Marc Haws, Commissioner
Jennifer Riebe, Commissioner

Shannon Chollett, Secretary to the Commission

Draft Minutes
Idaho Oil and Gas Conservation Commission Regular Meeting
October 2, 2024

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, October 2, 2024, at the State Capitol, House Hearing Room, (EW42), Lower Level, East Wing, 700 W Jefferson Street, Boise, Idaho. The meeting began at 1:29 p.m. (MT). Vice Chairman Ray Hinchcliff presided. The following members were present:

Commissioner Margaret Chipman
Commissioner Jennifer Riebe

For the record, a quorum was in attendance; all three Commissioners were present at the physical location. A motion was made by Commissioner Chipman to adopt the proposed amended agenda which removed the Presentation on Gas Markets because the presenter had to cancel and add the Discussion on cancelling the November meeting. Commissioner Riebe seconded the motion. The motion carried on a vote of 3-0.

ANNOUNCEMENTS

Vice Chairman Hinchcliff announced that Chairman Betty Coppersmith resigned from the Commission after five years of service, all in the role of Chairman. Vice Chairman Hinchcliff acknowledged Commissioner Haws' expected absence from the meeting and welcomed Shannon Chollett as new Commission Secretary.

REPORTS

1. Department Report – *Presented by Shannon Chollett, Division Administrator*

- A. Financial Update
- B. Current Oil and Gas Activity

Commissioner Riebe inquired about the ending cash balance dating back to May and if that was a reflection of the low prices, the wells being shut in and the severance taxes being low. Program Manager James Thum responded yes and explained that due to the new software system LUMA, the Department was having problems getting correct calculations for ending balance. Mr. Thum stated that as of the July reports, the numbers should be correct. Commissioner Riebe asked if the wells that were shut-in were a reflection of their productivity status or due to low prices. Mr. Thum answered that it is a decision that the operator makes and can be based on economics. While there could be several reasons to shut-in a well, Mr. Thum confirmed that we have had low natural gas prices this year and it has affected the decision to keep the wells shut-in. Mr. Thum

stated that he spoke with Richard Brown recently and that natural gas prices have gone up and more wells will probably go back on production. Commissioner Riebe inquired if there is life left in the wells in which Mr. Thum said yes especially the wells in the Harmon area. Vice Chairman Hinchcliff asked Mr. Thum to elaborate on the gas prices for the area and how it compared to the rest of the country and why we typically have lower prices. Mr. Thum explained that prices in the Northwest tend to be lower because we do not have access to as many markets and we do not have the transportation options that other places in the country do.

CONSENT – ACTION ITEM(S)

2. Approval of Minutes – May 21, 2024 – Regular Meeting (Boise)

COMMISSION ACTION: A motion was made by Commissioner Riebe that the Commission approve the meeting minutes. Commissioner Chipman seconded the motion. The motion carried on a vote of 3-0.

3. Approval of Minutes – August 20, 2024 – Regular Meeting (Boise)

COMMISSION ACTION: A motion was made by Commissioner Chipman that the Commission approve the meeting minutes. Commissioner Riebe seconded the motion. The motion carried on a vote of 3-0.

REGULAR – ACTION ITEM(S)

4. Adoption of Pending Rule for IDAPA 20.07.02, Rules Governing Conservation of Oil and Natural Gas in the State of Idaho - Presented by James Thum, Oil & Gas Program Manager

RECOMMENDATION: Adopt the pending rule for IDAPA 20.07.02, Rules Governing Conservation of Oil and Natural Gas in the State of Idaho

DISCUSSION: None.

COMMISSION ACTION: A motion was made by Commissioner Chipman that the Commission move to adopt the pending rule. Commissioner Riebe seconded the motion. The motion carried on a vote of 3-0.

5. Election of Chairman and Vice-Chairman

RECOMMENDATION: Direct the Commission to elect a Chairman and Vice Chairman.

DISCUSSION: None.

COMMISSION ACTION: A motion was made by Commissioner Riebe to nominate Ray Hinchcliff as Chair. Commissioner Chipman seconded the motion. The motion carried on a vote of 3-0. A motion was made by Commissioner Chipman to nominate Jennifer Riebe as Vice Chair. Vice Chairman Hinchcliff seconded the motion. The motion carried on a vote of 3-0.

6. Discussion On Cancellation Of November Regular Meeting

RECOMMENDATION: None.

DISCUSSION: Vice Chairman Hinchcliff explained that due to only having three commissioners at this time and the upcoming holiday, to cancel the November meeting rather than not meeting a quorum. He added that Commissioner Haws is on an extended leave and advised that the meeting be either postponed or cancelled. Commissioners Chipman and Riebe agreed.

COMMISSION ACTION: A motion was made by Commissioner Chipman to cancel the November regular meeting. Commissioner Riebe seconded the motion. The motion carried on a vote of 3-0.

INFORMATION

None

EXECUTIVE

None

There being no further business before the Commission, at 1:52 p.m. a motion to adjourn was made by Commissioner Riebe. Commissioner Chipman seconded the motion. The motion carried on a vote of 3-0. Meeting adjourned.

DRAFT

Idaho Oil and Gas Conservation Commission

February 18, 2025
Information Agenda

Subject

Update on IDAPA 20.07.02, *Rules Governing Conservation of Oil and Natural Gas in the State of Idaho* – Presentations to the 2025 legislative committees

Background

The Idaho Department of Lands (Department) administers these rules under the authority of the Oil and Gas Conservation Act (Title 47 Chapter 3, Idaho Code). These rules apply to the extraction of any and all crude oil and natural gas resources in the state of Idaho, not including biogas, manufactured gas, or landfill gas, regardless of ownership.

Following Executive Order 2020-01, Zero-Based Regulation, this rule chapter was scheduled for a comprehensive review in 2024. At the November 14, 2023, Oil and Gas Conservation Commission (Commission) meeting, the Commission authorized the Department to initiate negotiated rulemaking. Negotiated Rulemaking took place in three separate meetings during April 2024, and additional comments were accepted at the May 21, 2024 regular Commission meeting. Negotiated Rulemaking concluded on May 31, 2024.

A Notice of Proposed Rule was published in the August 2024 Administrative Bulletin and a public hearing on the proposed rule was held in Boise on August 15, 2024. No oral or written comments were received by the August 28, 2024 deadline.

The pending rule was presented to the Commission as a regular agenda item at the October 2, 2024 meeting with a recommendation to adopt the pending rule. The Commission voted unanimously to adopt the pending rule. The pending rule was published in the December 2024 Administrative Bulletin and will be presented during the 2025 Idaho Legislative Session.

Discussion

The Department will provide the Commission with an update on the schedule for testimony to the House and Senate committees.

Idaho Oil and Gas Conservation Commission

February 18, 2025
Information Agenda

Subject

Presentation: Natural Gas Markets in the Pacific Northwest, presented by Randy Schultz, IGI Resources, Inc.

Background

Natural gas markets in the Pacific Northwest are influenced by many factors common to natural gas markets around the country. However, a lack of infrastructure as compared to the rest of the United States presents a unique set of challenges for both buyers and sellers in the region.

Discussion

Randy Schultz, President of IGI Resources, Inc. will present an introduction to natural gas markets and provide some background on IGI Resources and their role in marketing natural gas from Idaho production. Factors influencing natural gas supply and demand, and ultimately product pricing will be discussed, along with possible future projections for markets in the region.

Attachments

1. [PDF Map: Gas Transmission and Hazardous Liquid Pipelines – US Department of Transportation](https://www.npms.phmsa.dot.gov/Documents/NPMS_Pipelines_Map.pdf)
https://www.npms.phmsa.dot.gov/Documents/NPMS_Pipelines_Map.pdf
2. PowerPoint Presentation: "Natural Gas in the Pacific Northwest"



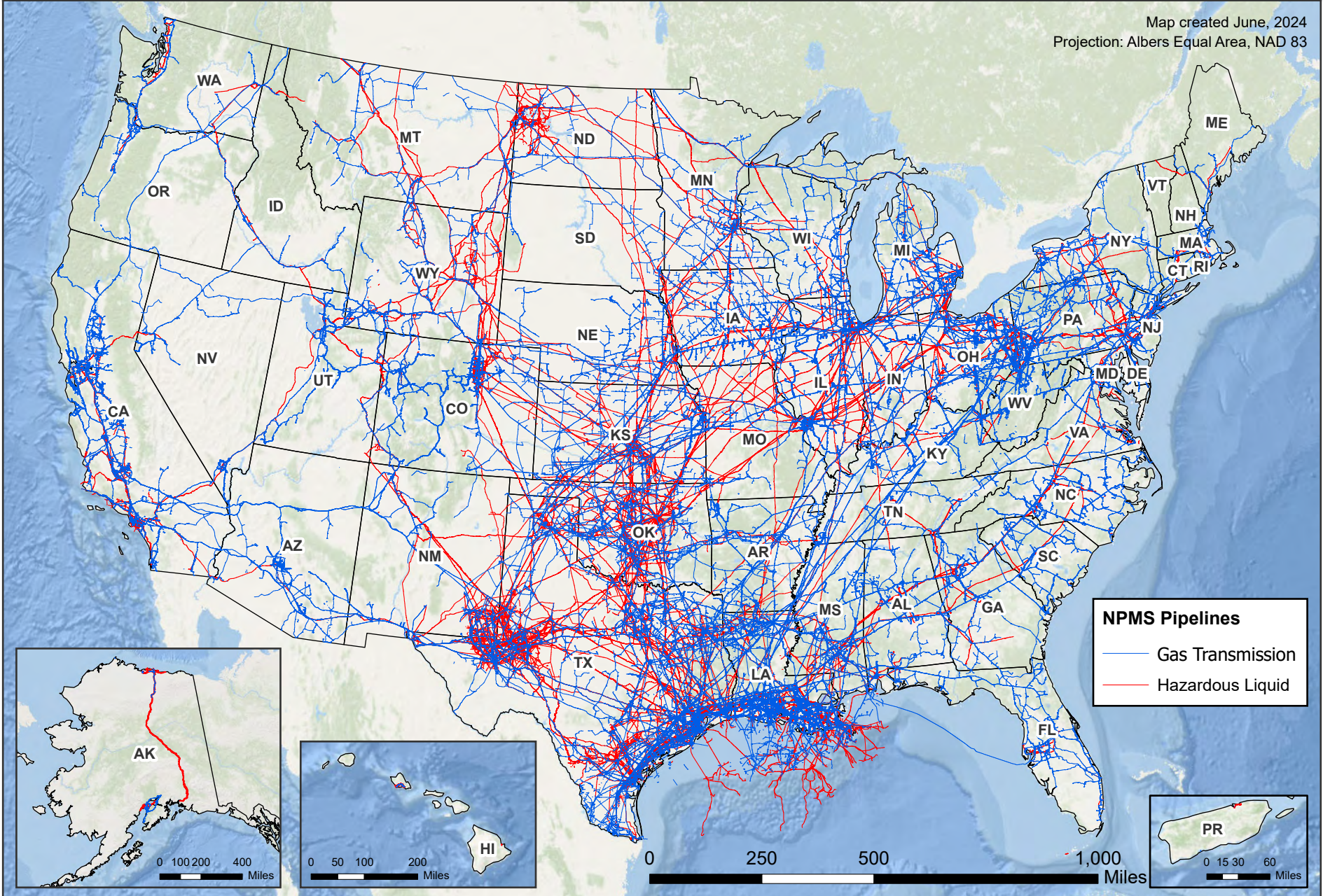
U.S. Department of Transportation
 Pipeline and Hazardous Materials Safety Administration

Gas Transmission and Hazardous Liquid Pipelines

Pipeline data as of 06/17/2024



Map created June, 2024
 Projection: Albers Equal Area, NAD 83



Physical. Financial. Reliable.

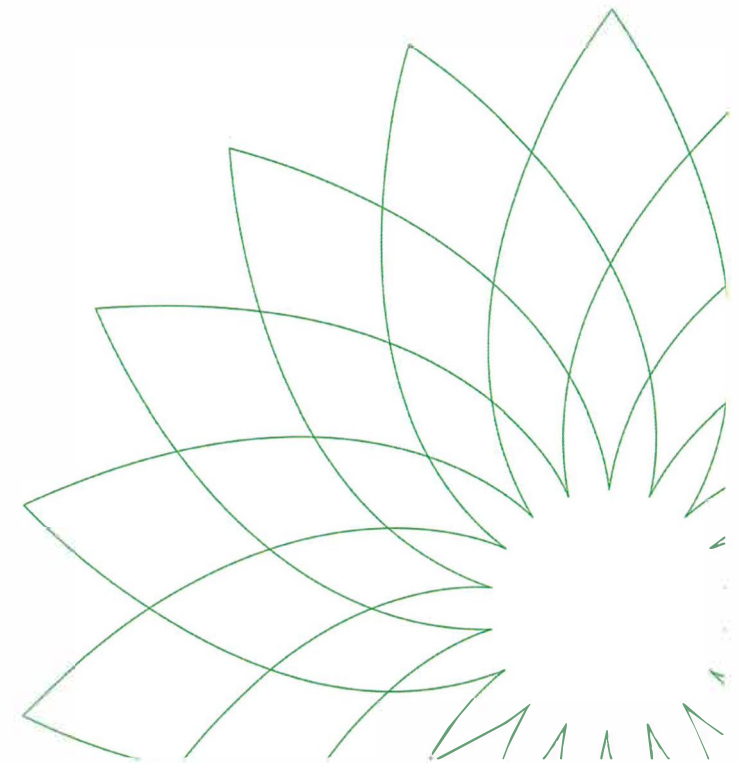


IGI Resources, Inc.

Presentation to the Idaho Oil and Gas Commission

Natural Gas in the Pacific Northwest

Randy Schultz – President August 20, 2024





Disclaimer

This presentation and its contents have been provided to you for informational purposes only. This information is not advice on or a recommendation of any of the matters described herein or any related commercial transactions.

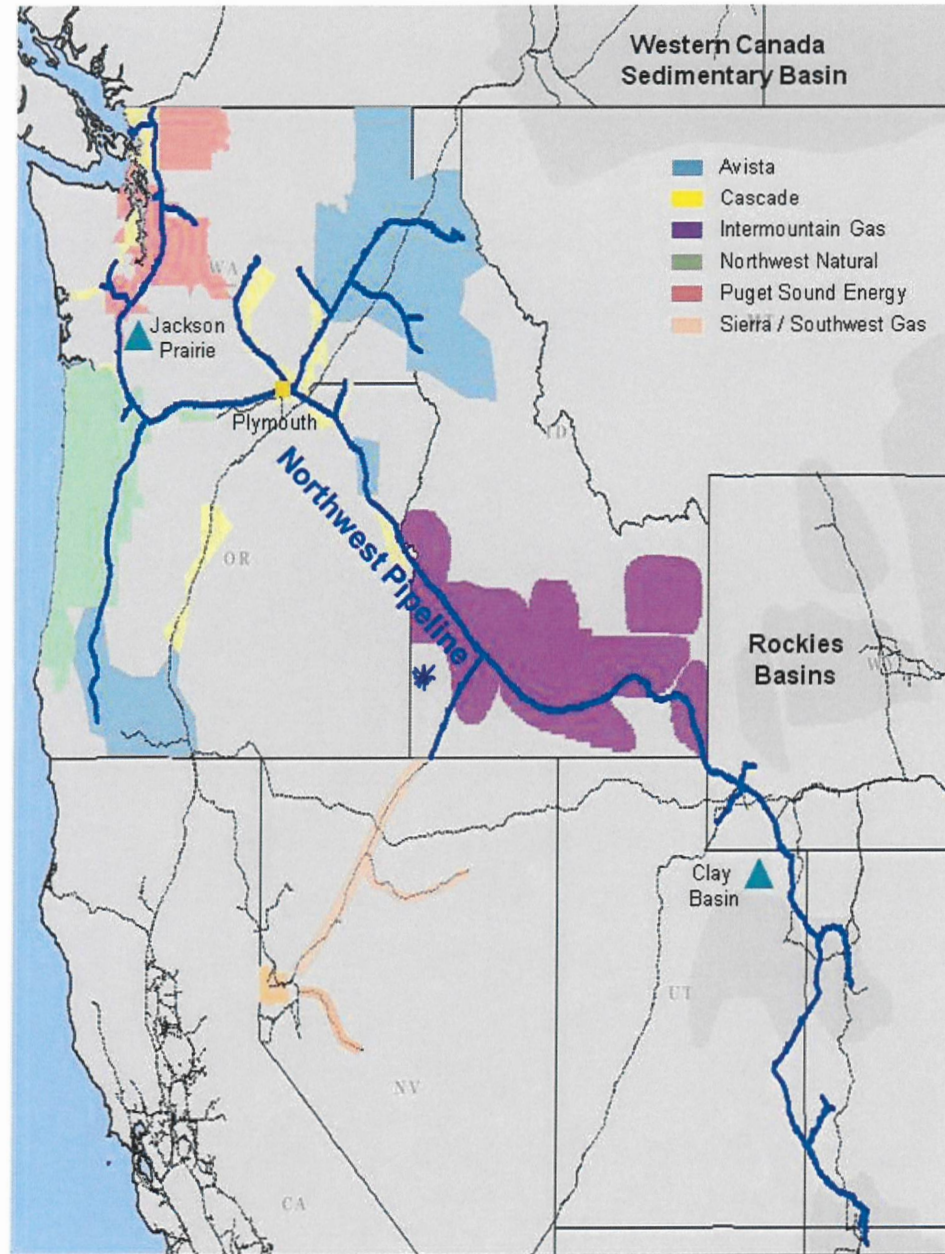
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Participants should seek their own advice and guidance from appropriate legal, tax, financial and trading professionals when making decisions as to positions to take in the market.

IGI Resources, Inc. Details

- Organized in October 1985 as a regional natural gas marketing company.
- Originally affiliated with Intermountain Gas Company (both under the same parent)
- Acquired by BP Energy Company in September 2000
- Service territory is Washington, Oregon, Idaho, Northern Nevada and British Columbia
- Currently serving approximately 640 commercial and industrial plant facilities
- Customers range in size from 250 MMBtu per day up to 50,000 MMBtu per day
- Also provide gas supply to certain wholesale customers in the Pacific Northwest
- Exclusive service provider to Intermountain Gas Company since 1988
- Total sales are approximately 600,000 MMBtu per day in winter; 300,000/day summer.
- Owns or manages over 650,000 MMBtu per day of firm transportation on interstate pipelines.



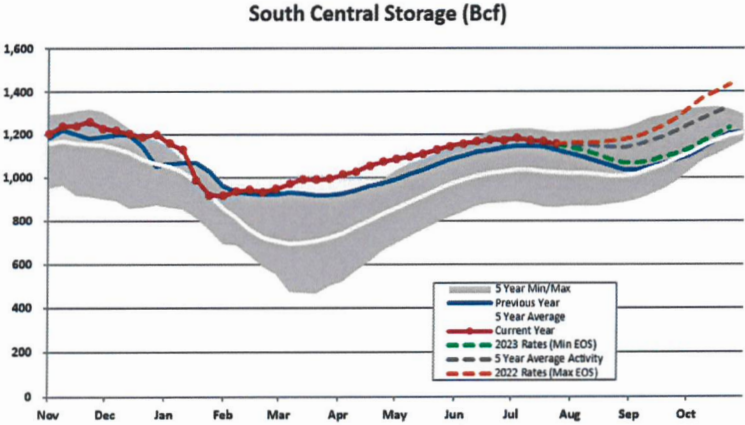
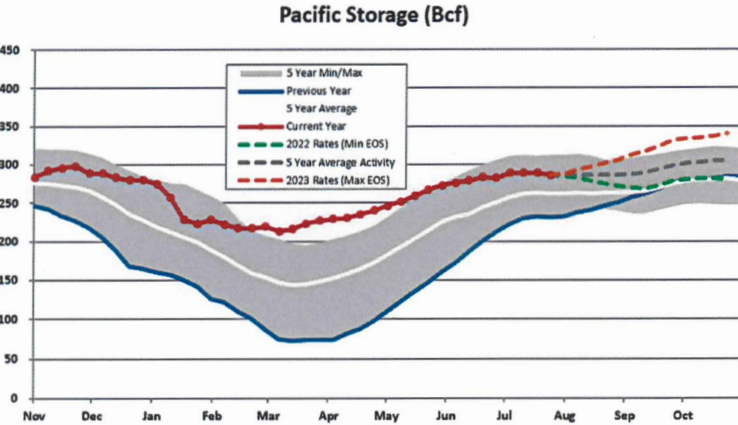
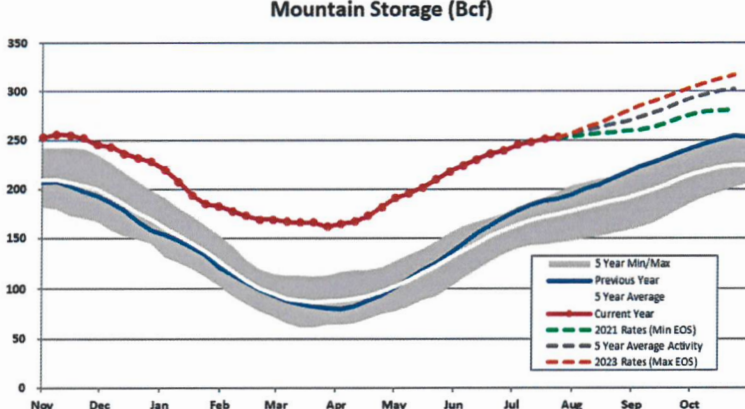
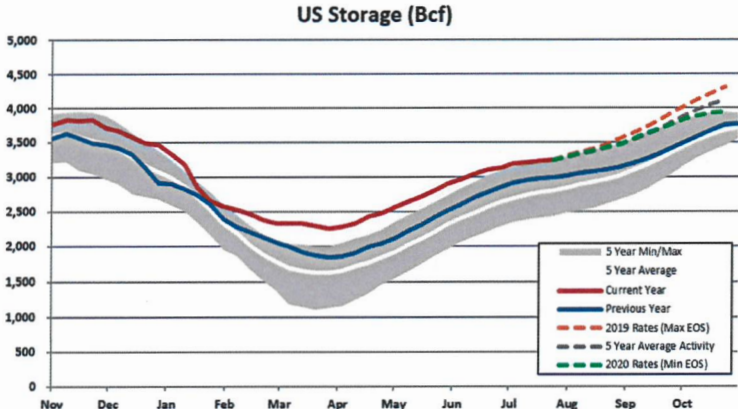
Gas Fundamentals to Watch

- National Storage balances
- Weather – including hurricanes
- Hydro levels and effects on power generation
- Coal retirements
- Rig counts
- Fires
- LNG Exports
- Canadian LNG projects
- National and world events



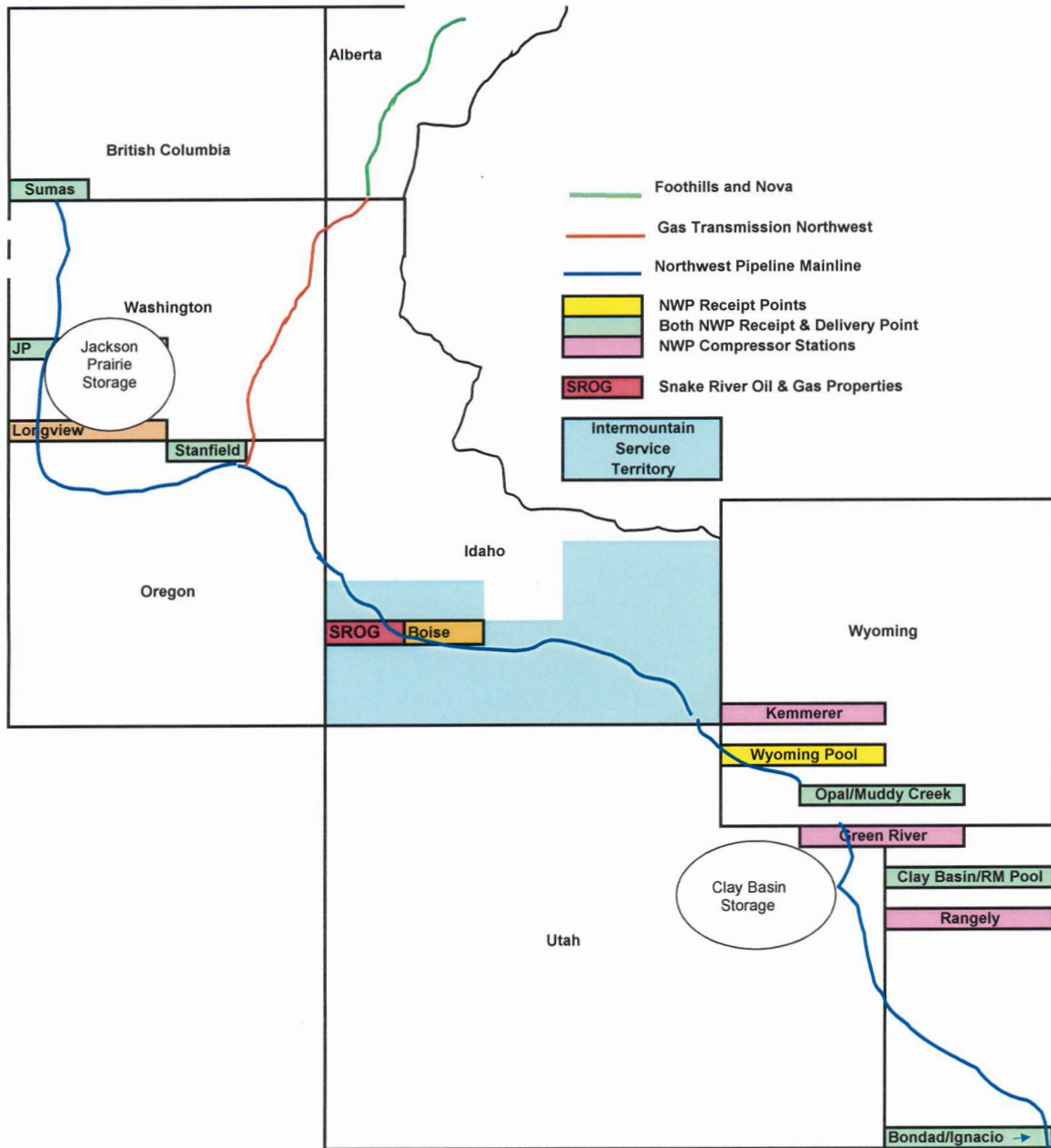
US gas storage: Inventories are now at a 252 bcf surplus vs. previous year levels

Source: EIA, 8/1/2024



Natural Gas Supply and Pricing in the Pacific Northwest

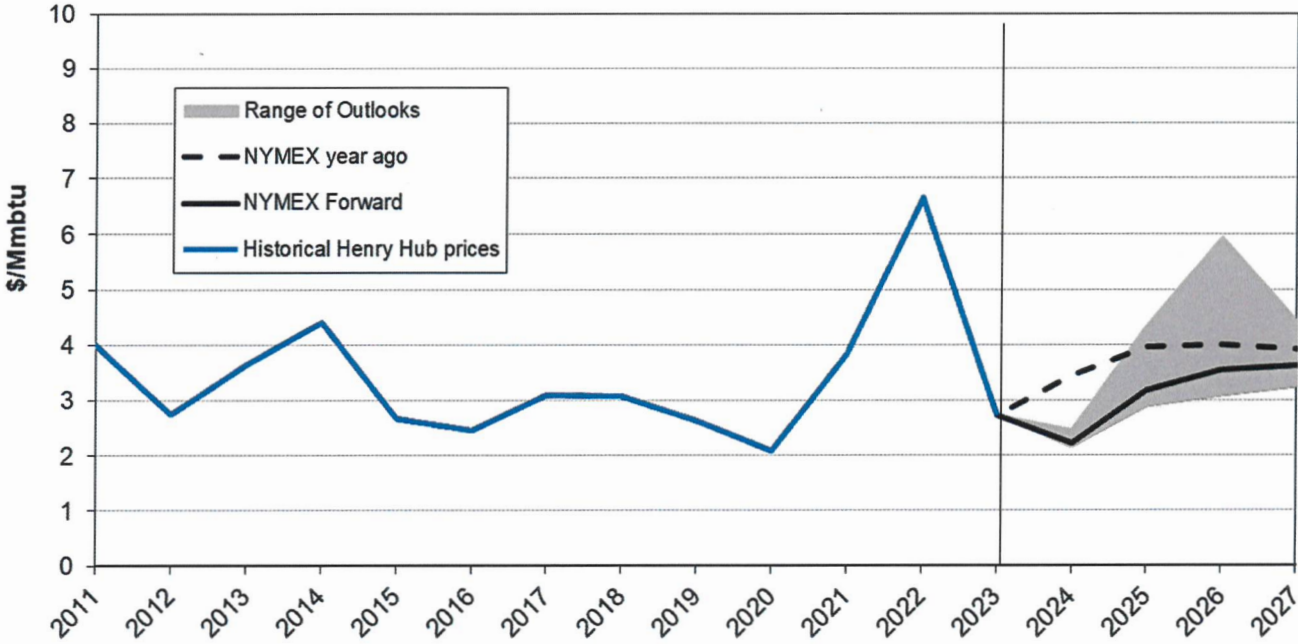
- Natural gas in the Pacific Northwest is primarily sourced from three regions:
 - British Columbia
 - Alberta
 - US Rocky Mountains (Wyoming, Colorado and Utah)
- Gas delivery occurs primarily through one interstate pipeline (Williams-Northwest) with support from two others (Westcoast in British Columbia and TransCanada in Alberta/PNW states)
- Pricing points for natural gas are:
 - Station 2 and Sumas for British Columbia
 - Aeco for Alberta
 - Opal and Wyoming Pool for Rocky Mountains
- Pricing Options:
 - Monthly posted index
 - Daily posted index.
 - Nymex plus locational basis
 - Price Risk Management – Hedging
- Term of Agreement:
 - Month-to-month
 - Seasonal (winter/summer)
 - Year-to-year
 - Multi-year





Long-Term Henry Hub spot price outlooks

Source: NYMEX, Various External Consultants, 8/1/2024



View of crude oil prices, competing fuels, supply costs, production growth, structural demand trends and global trade flows will influence gas price outlook

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