

IDAHO OIL AND GAS CONSERVATION COMMISSION OPEN MEETING CHECKLIST

FOR MEETING DATE: February 24, 2021

Regular Meetings

02/11/21	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) calendar days before meeting.
02/11/21	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) calendar days before meeting.
02/11/21	Notice of Meeting posted in prominent place at meeting location five (5) calendar days before meeting.
02/11/21	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) calendar days before meeting.
02/11/21	Notice of Meeting posted electronically on the OGCC public website https://ogcc.idaho.gov/ five (5) calendar days before meeting.
02/17/21	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
02/17/21	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
02/17/21	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
02/17/21	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
02/17/21	Agenda posted electronically on the OGCC public website https://ogcc.idaho.gov/ forty-eight (48) hours before meeting.
11/16/20 01/08/21 02/11/21	Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA <ul style="list-style-type: none"> • Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA • 2nd Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA

Special Meetings

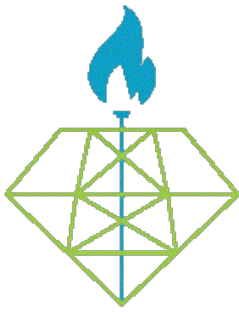
	Notice of Meeting and Agenda posted in a prominent place in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in a prominent place in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on the OGCC public website https://ogcc.idaho.gov/ twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Notice of Meeting or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

Executive Sessions *(If only an Executive Session will be held)*

	Notice of Meeting and Agenda posted in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on the OGCC public website https://ogcc.idaho.gov/ twenty-four (24) hours before meeting.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.

Kourtney Romine
RECORDING SECRETARY

02/17/21
DATE



IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chairman
Marc Shigeta, Vice Chairman
Jim Classen, Commissioner
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

NOTICE OF PUBLIC MEETING FEBRUARY 2021

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on **Wednesday, February 24, 2021** in the Joe R. Williams Building, (East Conference Room), 700 W State St., Boise, Idaho. The meeting is scheduled to begin at **1:30 pm (MT)**.

Please note meeting location, time, and additional details below.

The Oil and Gas Conservation Commission will conduct this meeting via teleconference. At least one Commission member will attend the meeting at the physical location.

This meeting is open to the public. All in-person attendees must comply with current COVID-19 safety protocols for public gatherings, including but not limited to wearing face coverings and observing physical distancing. Physical distancing measures reduce the meeting room's normal capacity for public attendance.¹ The approximate capacity in the audience for this meeting room due to physical distancing measures is approximately (15) fifteen people.

Contingent upon safety protocols, the public may attend the meeting in person or via teleconference. Members of the public may listen to the meeting via teleconference, using the following:

Dial toll-free: 1-877-820-7831

Enter passcode: 5115846, followed by (#) key

There will be no public comment taken at this meeting, therefore the passcode is for listening only.

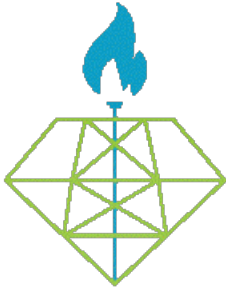
First Notice Posted: 02/11/2021-IDL Boise; 02/11/2021-IDL CDA

¹<https://www.cdhd.idaho.gov/pdfs/boardofhealth/Orders/Order-RE-Restriction-Ada%20County-Long-Term-Care%20Facilities-Updated-Order-10-20-2020.pdf> AND <https://www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/reissued-public-health-emergency-order-no-20-13b/> AND <https://rebound.idaho.gov/wp-content/uploads/stage3-stay-healthy-guidelines-020221.pdf>

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

Betty Coppersmith, Chairman
Marc Shigeta, Vice Chairman
Jim Classen, Commissioner
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

Final Agenda

Idaho Oil and Gas Conservation Commission Regular Meeting
February 24, 2021 – 1:30 PM (MT)
Joe R. Williams Building, (East Conference Room), 700 W State St., Boise, Idaho.

Please note meeting location, time, and additional details below.

The Oil and Gas Conservation Commission will conduct this meeting via teleconference. At least one Commission member will attend the meeting at the physical location.

This meeting is open to the public. All in-person attendees must comply with current COVID-19 safety protocols for public gatherings, including but not limited to wearing face coverings and observing physical distancing. Physical distancing measures reduce the meeting room's normal capacity for public attendance.¹ The approximate capacity in the audience for this meeting room due to physical distancing measures is approximately (15) fifteen people.

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Dial toll-free: 1-877-820-7831

Enter passcode: 5115846, followed by (#) key

There will be no public comment taken at this meeting, therefore the passcode is for listening only.

• **ANNOUNCEMENTS**

No public comment will be taken at this meeting.

¹<https://www.cdhd.idaho.gov/pdfs/boardofhealth/Orders/Order-RE-Restriction-Ada%20County-Long-Term-Care%20Facilities-Updated-Order-10-20-2020.pdf>/ AND <https://www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/reissued-public-health-emergency-order-no-20-13b/> AND <https://rebound.idaho.gov/wp-content/uploads/stage3-stay-healthy-guidelines-020221.pdf>

1. Division Administrator's Report

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

• **CONSENT – ACTION ITEM(S)**

2. **Approval of Minutes** – October 20, 2020 – Regular Meeting (Boise)

3. **Approval of Minutes** – December 9, 2020 – Special Meeting (Boise)

• **REGULAR – ACTION ITEM(S)**

4. **Omnibus Rulemaking - Adoption of Temporary Rule for IDAPA 20.07.02 – Rules Governing Conservation of Oil and Natural Gas in the State of Idaho**

• **INFORMATION**

None

• **EXECUTIVE SESSION**

None

IDAHO OIL & GAS CONSERVATION COMMISSION



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

IDAHO OIL & GAS
CONSERVATION COMMISSION

**Oil and Gas Regulatory Program
Activities Report as of October, 2020
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2020	189,935.64		
Permits		0.00	3,300.00
*Severance Tax		0.00	0.00
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		<u>0.00</u>	<u>3,300.00</u>
Personnel Expenditures		(6,848.52)	(27,100.49)
Operating Expenditures		(47.65)	(8,069.53)
P-Card Liability to be paid		0.00	0.00
Ending Cash Balance 10/31/2020			<u><u>158,065.62</u></u>

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 0075-14 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 FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55000 Expenses				
PC	191,100.00	25,798.37	86,140.60	104,959.40
OE	49,300.00	443.92	20,016.85	29,283.15
CO	0.00	0.00	0.00	0.00
Total	<u>240,400.00</u>	<u>26,242.29</u>	<u>106,157.45</u>	<u>134,242.55</u>

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55070 Expenses				
PC	87,200.00	6,848.52	27,100.49	60,099.51
OE	85,100.00	47.65	8,069.53	77,030.47
CO		0.00	0.00	0.00
Total	<u>172,300.00</u>	<u>6,896.17</u>	<u>35,170.02</u>	<u>137,129.98</u>

**Oil and Gas Regulatory Program
Activities Report as of November, 2020
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2020	189,935.64		
Permits		0.00	3,300.00
*Severance Tax		0.00	0.00
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		0.00	3,300.00
Personnel Expenditures		(4,640.40)	(31,740.89)
Operating Expenditures		(41.43)	(8,110.96)
P-Card Liability to be paid		0.00	0.00
Ending Cash Balance 11/30/2020		0.00	153,383.79

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 0075-14 Oil and Gas Conservation Fund to defray the expense of the Oil and Gas Commission.

General Fund Regulatory Program Expenditures Report

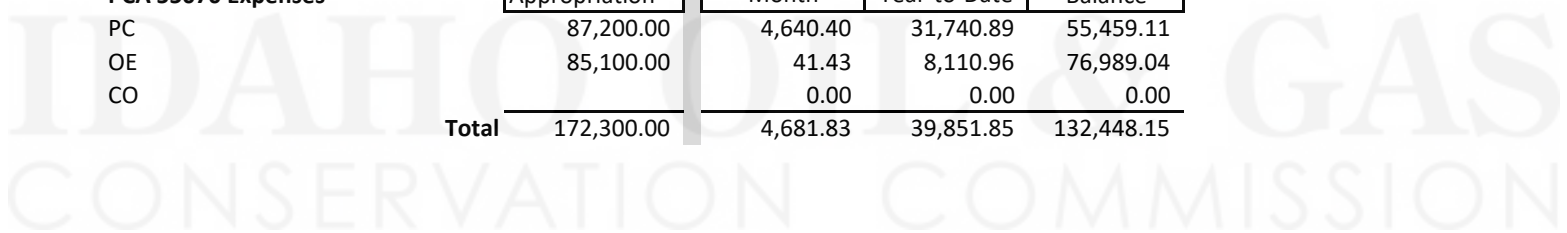
Expenditures from General Fund FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55000 Expenses				
PC	191,100.00	15,028.86	101,169.46	89,930.54
OE	49,300.00	113.73	20,130.58	29,169.42
CO	0.00	0.00	0.00	0.00
Total	240,400.00	15,142.59	121,300.04	119,099.96

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55070 Expenses				
PC	87,200.00	4,640.40	31,740.89	55,459.11
OE	85,100.00	41.43	8,110.96	76,989.04
CO	0.00	0.00	0.00	0.00
Total	172,300.00	4,681.83	39,851.85	132,448.15



**Oil and Gas Regulatory Program
Activities Report as of December, 2020
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2020	189,935.64		
Permits		0.00	3,300.00
*Severance Tax		0.00	0.00
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		0.00	3,300.00
Personnel Expenditures		(2,432.19)	(34,173.08)
Operating Expenditures		(47.43)	(8,158.39)
P-Card Liability to be paid		6.00	6.00
Ending Cash Balance 12/31/2020		150,910.17	150,910.17

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 0075-14 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 FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55000 Expenses				
PC	191,100.00	1,573.92	102,743.38	88,356.62
OE	49,300.00	199.66	20,330.24	28,969.76
CO	0.00	0.00	0.00	0.00
Total	240,400.00	1,773.58	123,073.62	117,326.38

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55070 Expenses				
PC	87,200.00	2,432.19	34,173.08	53,026.92
OE	85,100.00	47.43	8,158.39	76,941.61
CO		0.00	0.00	0.00
Total	172,300.00	2,479.62	42,331.47	129,968.53

**Oil and Gas Regulatory Program
Activities Report as of January, 2021
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2020	189,935.64		
Permits		0.00	3,300.00
*Severance Tax		0.00	0.00
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		<u>0.00</u>	<u>3,300.00</u>
Personnel Expenditures		(4,316.38)	(38,489.46)
Operating Expenditures		231.97	(7,926.42)
P-Card Liability to be paid		0.00	0.00
Ending Cash Balance 01/31/2021			<u><u>146,819.76</u></u>

*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 0075-14 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 FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55000 Expenses				
PC	191,100.00	9,541.16	112,284.54	78,815.46
OE	49,300.00	656.92	20,987.16	28,312.84
CO	0.00	0.00	0.00	0.00
Total	<u>240,400.00</u>	<u>10,198.08</u>	<u>133,271.70</u>	<u>107,128.30</u>

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY21

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55070 Expenses				
PC	87,200.00	4,316.38	38,489.46	48,710.54
OE	85,100.00	(231.97)	7,926.42	77,173.58
CO	0.00	0.00	0.00	0.00
Total	<u>172,300.00</u>	<u>4,084.41</u>	<u>46,415.88</u>	<u>125,884.12</u>

IDAHO OIL & GAS
CONSERVATION COMMISSION



Southwest Idaho Oil & Gas Activity Map



Legend

Active Oil and Gas Wells		Inactive Oil and Gas Wells		Gas Pipeline	Gas Plant
Shut in Gas	Plugged and Abandoned (P&A) Oil Show	Gas Transmission Pipeline	Idaho Mineral Estate	Highway	Surface Ownership
Producing - Multi Zone	Plugged and Abandoned (P&A) Gas Show	Township	BLM	Sections	IDF&G
Producing	Plugged and Abandoned (P&A) Gas Well	Counties	IDL	Approved Integration/Spacing Request	
Permitted	Plugged and Abandoned	Spacing Request			
	APD Submitted				

No.	US Well Number	Operator	Well Name	Status
1	11-075-20004	AM Idaho, LLC	Espino #1-2	Plugged & Abandoned
2	11-075-20005	AM Idaho, LLC	State #1-17	Plugged
3	11-075-20007	AM Idaho, LLC	ML Investments #1-10	Plugged & Abandoned
4	11-075-20009	AM Idaho, LLC	Island Capitol #1-19	Plugged
5	11-075-20011	Snake River O&G	Tracy Trust #3-2	Shut in
6	11-075-20013	AM Idaho, LLC	White #1-10	Plugged
7	11-075-20014	AM Idaho, LLC	Korn #1-22	Plugged
8	11-075-20020	Snake River O&G	DJS Properties #1-15	Producing
9	11-075-20022	Snake River O&G	ML Investments #2-10	Producing
10	11-075-20023	Snake River O&G	DJS Properties #2-14	Shut in (Class II appl.)
11	11-075-20024	Snake River O&G	Kauffman #1-34	Shut In
12	11-075-20025	Snake River O&G	ML Investments #1-11	Producing (temp. S/I)
13	11-075-20026	Snake River O&G	ML Investments #1-3	Producing
14	11-075-20027	Snake River O&G	Kauffman #1-9	Producing (temp. S/I)
15	11-075-20029	Snake River O&G	ML Investments #2-3	Producing
16	11-075-20031	Snake River O&G	ML Investments #3-10	Producing
17	11-075-20032	Snake River O&G	Fallon #1-10	Shut In
18	11-075-20033	Snake River O&G	Barlow #1-14	Producing
19	Not assigned	Snake River O&G	Barlow #2-14	Pending

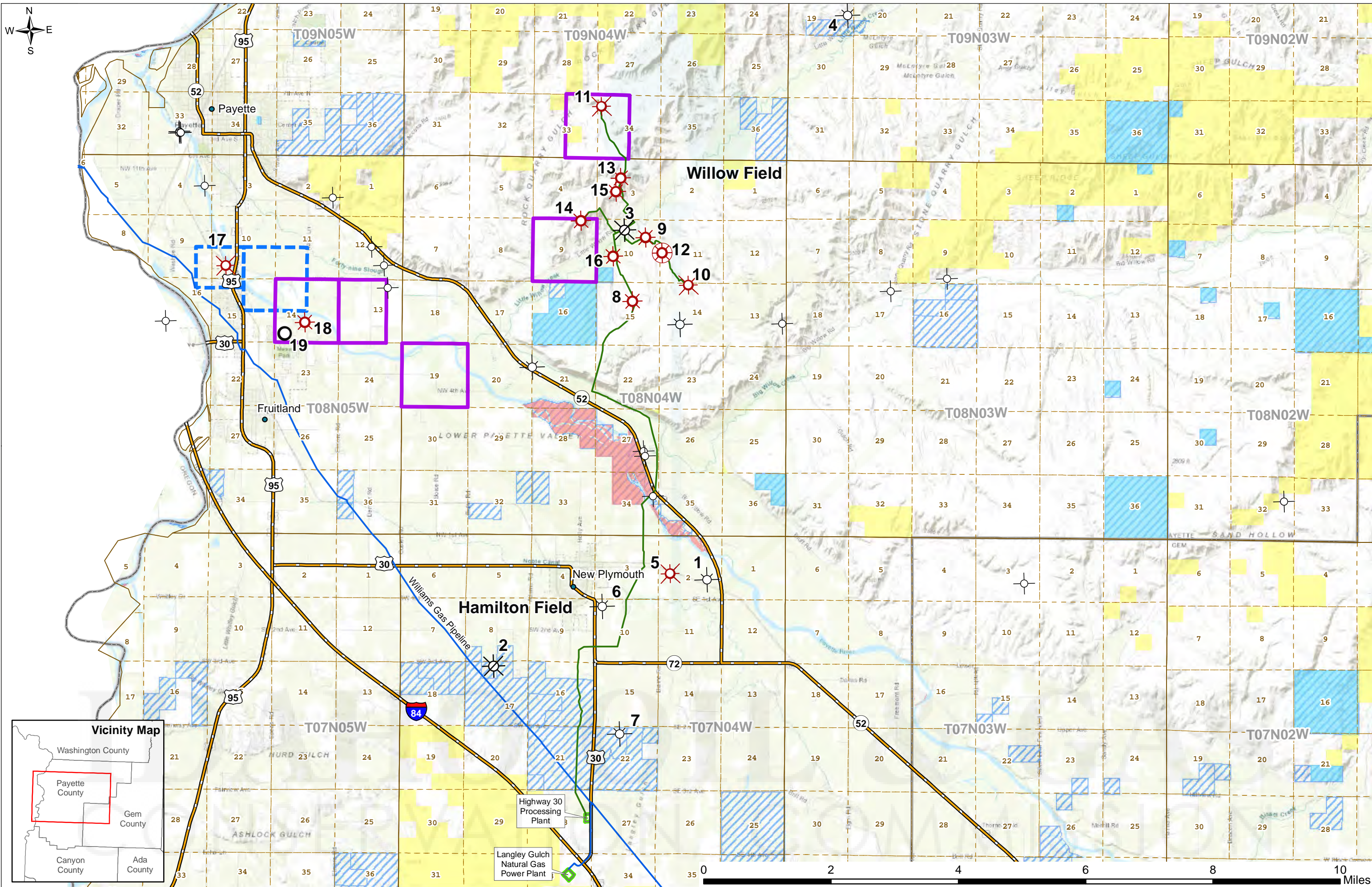
Map Notes and Data Sources

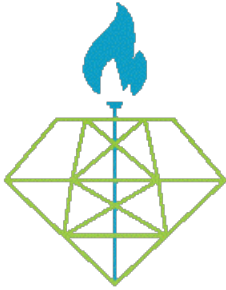
Inactive and Active Oil And Gas Wells through 2/10/2021

Data Sources: Idaho Department of Lands and Idaho Geological Survey

Disclaimer:

This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.





IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chairman
Marc Shigeta, Vice Chairman
Jim Classen, Commissioner
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

Draft Minutes

Idaho Oil and Gas Conservation Commission Regular Meeting
October 20, 2020

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, October 20, 2020 with the physical location at State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W Jefferson St., Boise. There was also a teleconference option. The meeting began at 2:00 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Marc Shigeta
Commissioner Jim Classen
Commissioner Dustin Miller

For the record, all four Commission members were present at the physical location. Secretary Thomas was also present at the physical location.

- **ANNOUNCEMENTS**

Chairman Coppersmith explained there were three parts to the meeting today: the normal portion of the meeting, an executive session in which the room will need to be cleared out, and then return to regular session to hear the appeal of the Administrators Denial of the Barlow #2-14.

- 1. **Division Administrator's Report**

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

Vice Chairman Shigeta inquired about the wells in the Hamilton field and whether they were plugged. Secretary Thomas responded that those wells have been plugged but regarding abandonment some have not been due to the reclamation of the surface sites which are being discussed between the surface owner and other people. Program Manager James Thum explained that the Tracy Trust #3-2 needs additional work done that requires bringing in a rig from outside of the state and due to that the well is shut-in and not considered plugged. Commissioner Classen asked about the saltwater disposal, Secretary Thomas explained he spoke with Evan Osborn at the Environmental Protection Agency (EPA) the day before the meeting. It was indicated that they are in the final review process and hope to have something by early spring next year. The EPA also confirmed that the operator has provided everything they needed.

- **CONSENT – ACTION ITEM(S)**

2. Approval of Minutes – August 5, 2020 – Regular Meeting (Boise)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Commissioner Miller that the Commission approve the meeting minutes on the Consent Agenda. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 4-0.

- **REGULAR – ACTION ITEM(S)**

3. Omnibus Rulemaking – Adoption of Pending Rule for IDAPA 20.07.02 – Rules Governing Conservation of Oil and Natural Gas in the State of Idaho – Presented by Mick Thomas, Division Administrator – Minerals, Public Trust, and Oil & Gas

RECOMMENDATION: Adopt the proposed fee rule as the pending rule for IDAPA 20.07.02 Rules Governing Conservation of Oil and Natural Gas in the State of Idaho and authorize the Department to submit a Notice of Adoption of Pending Rule consistent with that adoption.

DISCUSSION: None

COMMISSION ACTION: A motion was made by Commissioner Miller to move with the adoption of the proposed fee rule as the pending rule for IDAPA 20.07.02 – Rules Governing Conservation of Oil and Gas in the State of Idaho and authorize the Department to submit a Notice of Adoption of Pending Rule consistent with that adoption. Commissioner Classen seconded the motion. The motion carried on a vote of 4-0.

At 2:12 p.m., a motion was made by Vice Chairman Shigeta to convene in Executive Session pursuant to Idaho Code 74-206(1)(f) to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated. Commissioner Miller seconded the motion. Chairman Coppersmith stated a roll call vote is required. *Roll Call Vote:* *Aye:* Shigeta, Miller, Classen, Coppersmith; *Nay:* None; *Absent:* None.

- **EXECUTIVE SESSION**

- A. Idaho Code 74-206(1)(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. [TOPIC: Application for Permit to Drill – Barlow #2-14]

At 3:01 p.m., the Commission resolved out of Executive Session by unanimous consent. Chairman Coppersmith stated that no action was taken by the Commission during the Executive Session.

- **REGULAR – ACTION ITEM(S)**

4. HEARING: Appeal of the Administrator’s Denial of Application for Permit to Drill, Barlow #2-14

RECOMMENDATION: None

The audio recording of this agenda item is available by request to the Department of Lands, Attn: Oil and Gas Commission Recording Secretary, PO Box 83720, Boise, Idaho 83720-0050 or by email to public_records_request@idl.idaho.gov.

[Editor’s note: Due to duration, parts of the Discussion portion of these minutes are written in first person format. These are not verbatim notes.]

DISCUSSION:

Chairman Coppersmith: This hearing will address Snake River Oil and Gas LLC's application for the permit to drill the Barlow #2-14 well. This application was denied on September 11th and then Snake River filed its appeal on September 25th. One thing to keep in mind as we are taking arguments is that all the evidence in this case is already in the record, so we are taking no new evidence and if something is mentioned that is new evidence we'll have to ask you to cease your comments. As a result, no public comment will be taken, and we'll talk about what that means here in a minute.

We will not consider comments filed by those who did not previously file comments on the application prior to the Administrator's denial. We do have several responses that were filed to Snake River's appeal by persons who filed comments during the comment period. Snake River subsequently filed a motion to strike those written responses and respondents' further participation in the appeal. This is the motion to strike that we are going to make a decision on first.

To document who is here either in person or on the phone and wishes to give arguments I'm going to ask that you identify yourself and I'm going to call some names and ask if there is anyone else that meets these criteria. When I call your name, you'll identify yourself and who you represent; I would ask you to come up to the microphone and make that statement. The first person I have is Mr. Christian.

Attorney Michael Christian was present in person representing the applicant Snake River Oil and Gas, LLC and Attorney James Piotrowski was present via teleconference representing Brad and Angela Barlow, Sue Bixby, Cookie Atkins, Janie Rodriguez, Melvin and Terri Person, Jan and Jamie Mitchell, Bruce Burrup, Dale Verhaeghe, Linda Dernoncourt, William Tolbert, Julie Fugate, Joey and Brenda Ishida, and Citizens Allied for Integrity and Accountability.

Mr. Christian gave his argument on the motion to strike and answered questions from the Commission. Mr. Piotrowski gave his argument on the motion to strike and answered questions from the Commission.

Chairman Coppersmith opened the floor for discussion amongst the Commission.

Commissioner Miller: There is just a lot of ambiguity here and not as much clarity as I would like to see written in the statute so it certainly puts us in a situation where there's...you could go a couple different directions here; don't have a lot else to add, other than just looking at the plain language of the statutes that are in front of us.

Commissioner Classen: This is a fuzzy situation. Just standing back it seems to me like the people who made their comments in the past had a chance to express themselves and their attorney had a chance to express his viewpoint of their feelings. I think we have given them the opportunity so they should not even be involved in this fashion in the appeal.

Chairman Coppersmith: All right, thank you Commissioner Classen. My thoughts on this are, and I'll use your word fuzzy, Commissioner Classen; there is ambiguity in the legal interpretation of participating parties, qualified persons, so I am more inclined to take a very broad view of that for some of the reasons that have been stated. The intent is to have persons who have interest in a project the opportunity to have their voices heard.

In this case, the Idaho code refers to qualified persons and yet that is not defined down to the level that we maybe wish it would. But that also gives us the opportunity to determine what that would be in proceedings of this nature. In other words, it allows us to have discretion, especially as we are looking at case-by-case scenarios.

In that light, I would be more inclined to allow all those persons wishing to present argument who are qualified as previously defined to have the opportunity to speak at this time.

COMMISSION ACTION: A motion was made by Commissioner Classen to strike. No second was given, therefore the motion failed. A motion was made by Chairman Coppersmith to deny Snake River's motion to strike because respondents or participating qualified persons are not excluded in the definition in the Idaho Code. Commissioner Miller seconded the motion. Chairman Coppersmith took a roll call vote for the record. *Roll Call Vote:* Aye: Shigeta, Miller, Coppersmith; Nay: Classen; Absent: None. The motion carried on a vote of 3-1.

Chairman Coppersmith: Let's move on to the more technical aspects of this appeal. Because of the nature of the arguments, we're going to give each speaker fifteen minutes and I will allow an additional five minutes for Snake River if you want to use that five minutes at the end for a rebuttal to any other comments that have been made and we would just need you to state that when you come up to speak. With that, Mr. Christian, if you would like to come up and make your arguments on the appeal.

Mr. Christian gave his argument on the technical aspects of the appeal and answered questions from the Commission. Mr. Piotrowski gave his argument on the technical aspects of the appeal; there were no questions from the Commission. Mr. Christian gave a rebuttal argument; there were no questions from the Commission.

Commissioner Classen asked if he could ask Secretary Thomas questions. Chairman Coppersmith responded no. Commissioner Classen then asked if he could ask Mr. Christian a question. Chairman Coppersmith responded yes and called Mr. Christian back to the podium. Mr. Christian answered more questions from the Commission.

Chairman Coppersmith asked if any of the Commissioners had additional points they wanted to speak on.

Commissioner Classen: Madam Chair, I'd like to repeat one point that has been established and that is that once you integrate a section and fix the working interest ownership it stays in effect until the leases become void. So, once an integrated unit, always an integrated unit, until such time as the leases go away.

Chairman Coppersmith: All right, thank you Commissioner Classen. Commissioner Miller do you have any additional comments?

Commissioner Miller: I do not Madam Chair, thank you.

Chairman Coppersmith: And Commissioner Shigeta?

Commissioner Shigeta: No.

Chairman Coppersmith: All right. I do appreciate the arguments brought forth by Mr. Christian and Mr. Piotrowski. It's very easy in this case to jump into the details and the nuts and bolts, but I keep stepping back to the burden of proof. Having permitted several wells in my career, and several permit applications, the burden is always on the applicant to prove your case. When the regulatory body asks for clarification or additional information that hasn't been requested as part of the normal application, it's incumbent upon the applicant to submit that information or make your case. One thing is the map. Of course, correlative rights; it's going to come up and one of the responsibilities of this Commission, and also the Division, is to protect those correlative rights. It needs to be addressed, some way, in the application. Again, the burden of proof is on the applicant itself; not on the Division, not on the Commission.

Kind of the same issue with the well-spacing argument and the reconciliation with the 2016 order, although I appreciate the different nuances there, it was not addressed at all in the application. Again, even though you can argue it's not a line item requirement, it's going to come up as a discussion point and there needs to be some type of justification in the application package itself. It's kind of a moot point, but also that thing about the arguments on the noticing...the written arguments started we weren't told we were supposed to notice by the Division. Again, noticing requirements is always on the applicant. My thoughts here are that, not that this permit application should be based, the denial of this permit application, I just don't think we have enough information to say "yay" or "nay" but there's definitely some gaps there that need to be addressed. That's where I'm landing, is just the burden of proof issue. It appears that more information is needed to permit this well and it's within the Division's realm of authority to ask for that information and to be, at least somewhat, able to evaluate that information and make a decision on whether to grant a permit to drill.

Commissioner Classen: Getting a drilling permit is sometimes done over the phone in many states. In requesting more information, you're saying there's the burden of proof on the operator's part. The operator didn't say he was going to drain somebody else's reserves. All he said was I'd like to drill a well down here. As I laboriously went through earlier, there's a lot of detail, time, money, and effort in science spent saying there is justification to want to drill another well here.

The operator is fully cognizant of drainage issues, especially in this play, in this area, because we've had a lot of past comments talking about drilling the well on a spacing unit and then figuring out who the rightful royalty owners that ought to get paid. That is in essence what correlative rights is. The Commission has the authority to call a hearing after the well is drilled and we see what the information is, if the Commission staff feels that there's a considerable issue here with potential lack of protecting correlative rights and we can do that by putting a condition, if needed, on the permit that requires the results of the well to be detailed and brought back in because the well is kind of close to the edge of a section.

But the point made previously that if you drill a well and it's a successful well, then were we in a normal situation, right next door there would be other operators who have some mineral interests that would call a hearing or call their own group together to drill an offset well. It is normal for an operating company, if their data shows that the prospects have other hydrocarbons remaining to be drilled in any particular section or unit so to speak, drilling unit, that they should go ahead and be allowed to drill to find those other reserves.

I don't see where there is a burden of proof for an operator to disclose all kinds of technical information; all they want to do is drill a well. The department had a right to speculate that it might cause drainage from adjacent areas that they should be concerned about that need to be handled in the future. This is a simple deal. We want to drill another well. They have met all the right requirements that allows them to drill a well. If this was in the middle of nowhere, they could drill a well, making these requirements met in their application. If the department felt enough concern about drainage, they could have gone back to them and asked for further information I suppose. As a Commission, we don't talk to our staff about what they are doing on permitting wells. We have delegated that downward.

Chairman Coppersmith: Thank you Commissioner Classen. I agree with you that we don't know what interactions happened between the Division and the applicant, but the issues are coming up now. And gosh, I wish I had worked in a state where I could get a drilling permit over the phone; I never had that experience. But, the reality again, is that the burden of proof is on the applicant. You made a really great argument about the uncertainty in mapping for predicting drainage radiuses or speculating on well performance, but we don't know that it will, but we don't know that it won't. Again, in my mind the applicant needs to make some case for the drainage is going to be contained within this area – or not. There's just no mention of that whatsoever in the application and that's where I'm landing with this. Knowing that we've been tasked to protect correlative rights in the state of Idaho, it's a normal question.

Commissioner Classen: I hate to admit the fact that I was a 100% failure in taking interest in drilling wells on amplitude maps. I have since had one success out of probably nine wells. So, we might be over-emphasizing how good the science is. I believe in the science and it's working great up here in this country but it's not infallible. As Mr. Christian said earlier, we are getting to the point where we want to have maps of the whole area and predetermine where the spacing units ought to be and how they should be configured before we allow a company to drill a wildcat well. I think this is ludicrous based on my experience.

Chairman Coppersmith: I appreciate those comments. One other option though, that hasn't been addressed, is using the one well that is already completed in this zone, as an analog. That is another method that you can present a case on without having the mapping. So, there are multiple ways to do it, just the fact that it wasn't done at all is where I'm going with this.

Commissioner Miller: But, Madam Chair, I just question on the application process, is that information a requirement, understanding what resource availability is in the subsurface pools and whatnot and, again, I'm one of those nontechnical guys, Jim.

Chairman Coppersmith: Based on the actual application form that was filed, that information does not appear to be requested on the form.

Commissioner Classen: I made the statement here that a company is not expected to give any technical input to the department. All they are doing is asking permission to drill a well and they have met the requirements as stated on a 640-acre gas drilling unit, to be allowed to do that. There's a map in the past by another operator, that may or may not be right, and if it is right after they drill a well and we sit here and the staff consults, they may figure that they need to have a hearing before they let them produce this well in fear of bad correlative rights protection. And we have the authority. The Commission, and our staff, through our staff to the Commission. The Commission has authority to call for a hearing and get this straightened out and it might be that you form two units: the undrilled unit to the south where the correlative rights might be in danger, and a unit where they drill the well to produce the reserves where the well will drain.

Chairman Coppersmith: It seems to me to be more of an issue of due diligence. Do you wait for something negative to happen or do you do your best to assess it prior to it becoming an issue?

Any more discussion on this point? All right. I think we're at the point where we are ready to make a motion.

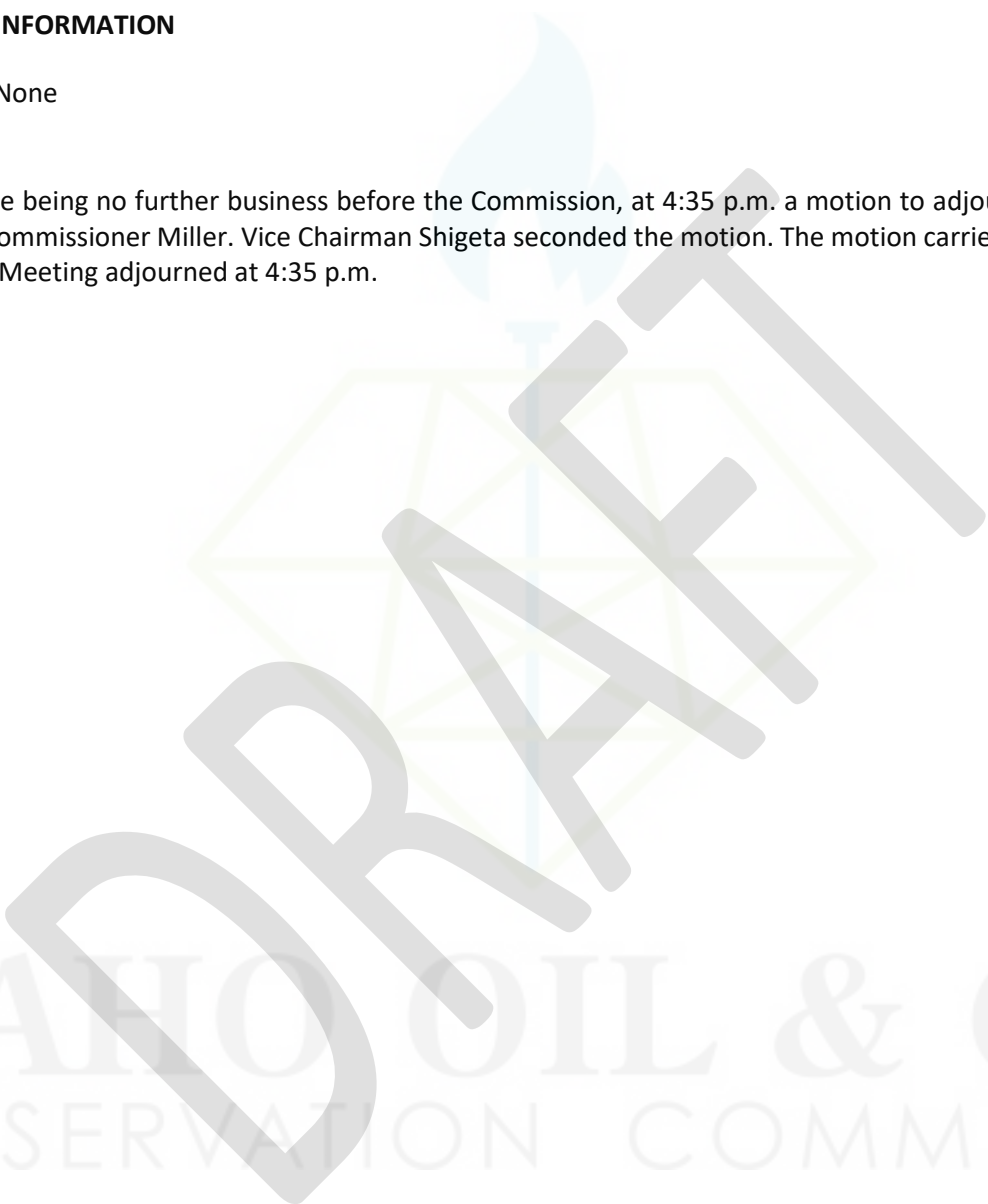
COMMISSION ACTION: A motion was made by Commissioner Classen that the Commission grant the application for permit to drill (APD) because it appears to be a legally requested drill site meeting all the requirements for drilling a wildcat well in a 640-acre drilling unit that has already been fixed. Vice Chairman Shigeta seconded the motion. Chairman Coppersmith took a roll call vote for the record. *Roll Call Vote:* Aye: Shigeta, Miller, Classen; Nay: Coppersmith; Absent: None. The motion carried on a vote of 3-1.

A motion was made by Commissioner Miller to give the Chairman the authority to issue a written order consistent with the Commission decision. Commissioner Classen seconded the motion. The motion carried on a vote of 4-0.

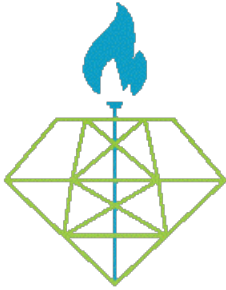
- **INFORMATION**

None

There being no further business before the Commission, at 4:35 p.m. a motion to adjourn was made by Commissioner Miller. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned at 4:35 p.m.



IDAHO OIL & GAS
CONSERVATION COMMISSION



IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chairman
Marc Shigeta, Vice Chairman
Jim Classen, Commissioner
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

Draft Minutes
Idaho Oil and Gas Conservation Commission Special Meeting
December 9, 2020

The special meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, December 9, 2020 with the physical location at Idaho Department of Lands, Garnet Conference Rooms, 300 N 6th Street, Suite 103, Boise, Idaho. There was also a teleconference option. The meeting began at 2:35 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Marc Shigeta
Commissioner Jim Classen
Commissioner Dustin Miller

For the record, Commissioner Miller was present at the physical location. The other Commissioners and Secretary Thomas participated via teleconference.

At 2:35 p.m., a motion was made by Commissioner Miller to convene in Executive Session pursuant to Idaho Code 74-206(1)(f) to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated. Commissioner Classen seconded the motion. Chairman Coppersmith stated a roll call vote is required. *Roll Call Vote: Aye: Shigeta, Classen, Miller, Coppersmith; Nay: None; Absent: None.*

• **EXECUTIVE SESSION**

- A. Idaho Code § 74-206 (1)(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. [TOPIC: Docket No. CC-2016-OGR-01-001 and Application for Permit to Drill, Barlow #2-14]

At 3:41 p.m., the Commission resolved out of Executive Session by unanimous consent. Chairman Coppersmith stated that no action was taken by the Commission during the Executive Session.

- **REGULAR (ACTION)**

- 1. Commission Review of Issues Relating to Docket No. CC-2016-OGR-01-001 and Application for Permit to Drill, Barlow #2-14 (Possible Action)**

DISCUSSION: Chairman Coppersmith asked to hear comments from the other Commissioners. Commissioner Classen stated that he reviewed the letters and, being in the industry, he felt comfortable where they are without moving forward to delay decisions and believed that if the parties involved decide they need a lawsuit, then it is up to them to make that decision; he did not think the Commission needed to do anything. Commissioner Miller explained that he respectfully disagreed with Commissioner Classen. Commissioner Miller thought there were questions on whether the integration order applies here. Vice Chairman Shigeta noted that while he had mixed emotions, he would concur with Commissioner Miller. Chairman Coppersmith explained that after reviewing the letters and the 2016 order, she did not see where a definitive decision had previously been made, as well as the fact that it seems like this question keeps coming up. Chairman Coppersmith concluded that she believed it is a good practice to clarify issues like this so that folks like the operator know what the rules of engagement are going forward.

COMMISSION ACTION: A motion was made by Commissioner Miller that the Commission initiate a contested case and formal proceedings pursuant to Idaho Code § 67-5240, Idaho Code § 47-328(1), and IDAPA 04-11-01-104 for the purpose of determining whether the Integration Order and Docket No. CC-2016-OGR-01-001 applies to the permitted proposed Barlow #2-14 well. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 3-1 with Commissioner Classen voting nay.

DISCUSSION: Chairman Coppersmith inquired about the options for the contested case, to either appoint a hearing officer or have the Commission hear the case. Commissioner Classen stated to hire someone and to do this expeditiously. Chairman Coppersmith agreed and noted that she liked the idea of having someone else, a third party, analyze the information and make a recommendation for the Commission to consider.

COMMISSION ACTION: A motion was made by Commissioner Miller that for purposes of this initiated contested case that the Commission delegate its authority to hire a hearing officer to the Department, and the hearing officer shall submit a recommended order to the Commission. Chairman Coppersmith seconded the motion. The motion carried on a vote of 4-0.

There being no further business before the Commission, at 3:51 p.m. a motion to adjourn was made by Commissioner Classen. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned at 3:53 p.m.

IDAHO OIL AND GAS CONSERVATION COMMISSION
February 24, 2021
Regular Agenda

SUBJECT

Adoption of Temporary Rule for IDAPA 20.07.02 – *Rules Governing Conservation of Oil and Natural Gas in the State of Idaho*

BACKGROUND

The Idaho Legislature adjourned the 2020 legislative session without reauthorizing all existing administrative fee rules. On February 18, 2020, the Oil and Gas Conservation Commission (Commission) approved the reauthorization of IDAPA 20.07.02, which became effective as a temporary rule on March 20, 2020. However, the temporary rule will continue in effect only to the end of the 2021 legislative session.

On October 20, 2020, the Commission adopted the proposed rule for IDAPA 20.07.02, without amendments, as a pending rule. The rule will become final if approved by the 2021 Idaho Legislature.

To ensure the continuity of administrative fee rules following the adjournment of the 2021 legislative session, all agencies are required to submit an omnibus *Notice of Adoption of Temporary Rule* to the Division of Financial Management (DFM) by March 4, 2021 (Attachment 1).

DISCUSSION

The Idaho Department of Lands (Department) is seeking approval from the Commission to adopt IDAPA 20.07.02 as a temporary rule that is conditional and will become effective only if the rules are not otherwise approved or rejected by the Idaho Legislature and/or not extended pursuant to the Idaho Administrative Procedure Act. The Department has not made any changes to the rule that was approved by the Commission on February 18, 2020.

The draft notice (Attachment 2) lists previously approved fee rules under IDAPA 20, rules of the Idaho Department of Lands, including IDAPA 20.07.02 – *Rules Governing Conservation of Oil and Natural Gas in the State of Idaho*. These rules are necessary to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens.

If approved by the Commission and other approving authorities, the Department will submit the notice of adoption of temporary rule to DFM.

RECOMMENDATION

Adopt as a temporary rule IDAPA 20.07.02 *Rules Governing Conservation of Oil and Natural Gas in the State of Idaho* that was adopted by the Commission in 2020 and submitted to the 2021 Legislature, with this conditional approval only effective if the rules are not otherwise approved or extended, and authorize the Department to submit a Notice of Adoption of Temporary Rule consistent with that adoption.

COMMISSION ACTION

ATTACHMENTS

1. February 4, 2021 Memo from DFM: Preparing Administrative Fee Rules for Post-*Sine Die*
2. Notice of Omnibus Rulemaking – Adoption of Temporary Fee Rules

IDAHO OIL & GAS
CONSERVATION COMMISSION



State of Idaho
DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

BRAD LITTLE
Governor

ALEX J. ADAMS
Administrator

February 4, 2021

MEMORANDUM

**TO: Executive Branch Agency/Department Heads
Rules Review Officers**

FROM: Alex J. Adams

SUBJECT: Preparing Administrative Fee Rules for Post-Sine Die

In order to ensure the continuity of administrative rules following the adjournment of the 2021 Legislative session, this memo outlines the process that agencies will need to complete prior to **March 4, 2021**. While each agency must take these steps now, these temporary fee rules are conditional and will only become effective at *sine die* if the pending fee rules are not otherwise approved or rejected by the Legislature and/or not extended pursuant to the Idaho Administrative Procedure Act, including sections 67-5291 and 67-5292, Idaho Code.

1. Agencies must submit a completed Notice of Adoption of Temporary Rule form to DFM by March 4th.
 - A template Notice is enclosed for fee rules only.
 - Rules should be adopted as submitted to the 2021 Legislature.
 - a. The Fee Rules expire upon Sine Die if not approved by the legislature via concurrent resolution of both the Senate and House Floor.
 - b. The Non-Fee Rules that became final rules after the 2020 legislative session, expire on June 30th, 2021, if the legislature does not extend them pursuant to the Idaho Administrative Procedure Act, section 67-5292, Idaho Code. Guidance will be forthcoming to re-adopt non-fee rule chapters if they are allowed to expire. Non-fee rules will be addressed by DFM after *sine die*.
 - No ARRF will be required.
 - Please submit completed Notices to adminrule@dfm.idaho.gov.
2. If rulemaking authority is vested in a board or commission – not agency staff – the board or commission must convene to properly authorize the Notice. This is required by law. Please work closely with your attorney to ensure the Notice is properly authorized.
 - The meeting must be scheduled in a timeframe to submit a completed Notice of Temporary Fee Rulemaking to DFM prior to the March 4 deadline.
 - The motion should be made as follows:

“Pursuant to Section 67-5226, Idaho Code, the Governor has found that temporary adoption of this rule is appropriate to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens.

These rules implement the duly enacted laws of the state of Idaho, provide citizens with the detailed rules and standards for complying with those laws, and assist in the orderly execution and enforcement of those laws.

The expiration of these rules without due consideration and processes would undermine the public health, safety and welfare of the citizens of Idaho and deprive them of the benefit intended by these rules.

The Governor has also found that the fee(s) or charge(s) being imposed or increased is/are justified and necessary to avoid immediate danger to the agency/department/board/commission's budget, to the state budget, to necessary state functions and services, and to avoid immediate danger of a potential violation of Idaho's constitutional requirement that it balance its budget.

Therefore, we are adopting this/these temporary fee rule(s) to be effective upon *sine die* of the 2021 session of the Idaho Legislature. The approval is conditional and will only become effective if the rules are not otherwise approved or rejected by the Legislature and/or not extended pursuant to the Idaho Administrative Procedure Act, including sections 67-5291 and 67-5292, Idaho Code.”

3. DFM will publish the fee notices of temporary rulemaking at or shortly after *sine die* with the rules having an effective date as of *sine die*.
4. For these temporary fee rules only, agencies do not have to accept written comments pursuant to 67-5222(a) as its requirement and deadline applies to “publication of the notice of *proposed* rulemaking in the bulletin” (emphasis added). Robust opportunity for public input on the fee rules occurred during 2020 rulemaking. The 2020 temporary fee rules were acted upon in open public meetings/hearings that allowed public comment throughout the rulemaking process.
5. Each agency must keep all records of this rulemaking process for at least two (2) years pursuant to Idaho Code § 67-5225. Please ensure the record is thorough and complete.

IDAHO OIL & GAS
CONSERVATION COMMISSION

IDAPA 20 – IDAHO DEPARTMENT OF LANDS

DOCKET NO. 20-0000-2100F

NOTICE OF OMNIBUS RULEMAKING - ADOPTION OF TEMPORARY RULES

EFFECTIVE DATE: The effective date of the temporary rules being adopted through this omnibus rulemaking is upon the adjournment date of the first regular session of the 66th Idaho State Legislature (sine die).

AUTHORITY: In compliance with Sections 67-5226, Idaho Code, notice is hereby given this agency has adopted a temporary rule. The action is authorized pursuant to:

- Sections 38-132 and 38-402, Idaho Code;
- Title 38, Chapter 12, including Section 38-1208, Idaho Code;
- Title 47, Chapters 3, 7, 8, 15, 16 and 18, including Sections 47-314(8), 47-315(8), 47-328(1), 47-710, 47-714, and 47-1316, Idaho Code;
- Title 58, Chapters 1, 3, 6, 12 and 13, including Sections 58-104, 58-105, 58-127, and 58-304 through 58-312, Idaho Code;
- Title 67, Chapter 52, Idaho Code;
- Article IX, Sections 7 and 8 of the Idaho Constitution; and
- The Equal Footing Doctrine (Idaho Admission Act of July 3, 1890, 26 Stat. 215, Chapter 656).

DESCRIPTIVE SUMMARY: The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule:

Through this temporary rule, the Idaho Department of Lands adopts the following chapters under IDAPA 20:

- 20.02.14, Rules for Selling Forest Products on State-Owned Endowment Lands
- 20.03.01, Rules Governing Dredge and Placer Mining Operations in Idaho
- 20.03.02, Rules Governing Mined Land Reclamation
- 20.03.03, Rules Governing Administration of the Reclamation Fund
- 20.03.04, Rules for the Regulation of Beds, Waters, and Airspace Over Navigable Lakes in the State of Idaho
- 20.03.05, Riverbed Mineral Leasing in Idaho
- 20.03.08, Easements on State-Owned Lands
- 20.03.09, Easements on State-Owned Submerged Lands and Formerly Submerged Lands
- 20.03.13, Administration of Cottage Site Leases on State Lands
- 20.03.14, Rules Governing Grazing, Farming, Conservation, Noncommercial Recreation, and Communication Site Leases
- 20.03.15, Rules Governing Geothermal Leasing on Idaho State Lands
- 20.03.16, Rules Governing Oil and Gas Leasing on Idaho State Lands
- 20.03.17, Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands
- 20.04.02, Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws

Through this temporary rule, the Idaho Board of Scaling Practices adopts the following chapter under IDAPA 20:

- 20.06.01, Rules of the Idaho Board of Scaling Practices

Through this temporary rule, the Oil and Gas Conservation Commission adopts the following chapter under IDAPA 20:

- 20.07.02, Rules Governing Conservation of Oil and Natural Gas in the State of Idaho

TEMPORARY RULE JUSTIFICATION: Pursuant to Section(s) 67-5226(1) and 67-5226(2), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

These temporary rules are necessary to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens. These temporary rules implement the duly enacted laws of the state of Idaho, provide citizens with the detailed rules and standards for complying with those laws, and assist in the orderly execution and enforcement of those laws. The expiration of these rules without due consideration and processes would undermine the public health, safety and welfare of the citizens of Idaho and deprive them of the benefit intended by these rules. *(insert one sentence on agency specific need)*

FEE SUMMARY: Pursuant to Section 67-5226(2), the Governor has found that the fees or charges being imposed or increased is justified and necessary to avoid immediate danger and the fees are described herein:

The fees or charges, authorized in Sections 38-122, 38-404, 38-1209, 47-315(5)(e), 47-316, 47-710, 47-1506(g), 47-1508(f), 47-1316, 47-1803, 58-104, 58-105 and 58-127, 58-304, 58-601, 58-603, 58-1307, Idaho Code, are part of the agency's 2021 budget that relies upon the existence of these fees or charges to meet the state's obligations and provide necessary state services. Failing to reauthorize these temporary rules would create immediate danger to the state budget, immediate danger to necessary state functions and services, and immediate danger of a violation of Idaho's constitutional requirement that it balance its budget.

The following is a specific description of the fees or charges:

- 20.02.14 – Stumpage payments and associated bonding for removal of state timber from endowment land pursuant to timber sales.
- 20.03.01 – Application fee, amendment fee, assignment fee, and inspection fee for all dredge and placer permits in the state of Idaho.
- 20.03.02 – Application fee for permanent closure plans and assignment fee for reclamation plans and permanent closure plans.
- 20.03.03 – Annual payment for Reclamation Fund participation.
- 20.03.04 – Application fees for encroachment permits and deposits toward the cost of newspaper publication.
- 20.03.05 – Fees for applications, advertising applications, exploration locations, and approval of assignments for riverbed mineral leasing.
- 20.03.08 – Application fee, easement consideration fee, appraisal costs, and assignment fee for easements on state-owned lands.
- 20.03.09 – Administrative fee, appraisal costs, and assignment fee for easements on state-owned submerged lands and formerly submerged lands.
- 20.03.13 – Annual rental payment paid to the endowment for which the property is held.
- 20.03.14 – Lease application fee, full lease assignment fee, partial lease assignment fee, mortgage agreement fee, sublease fee, late rental payment fee, minimum lease fee, and lease payment extension request fee on state endowment trust lands.
- 20.03.15 – Application fee, assignment fee, and late payment fee for geothermal leases on state-owned lands.
- 20.03.16 – Exploration location permit fee, nomination fee, and processing fee for oil and gas leases on endowment lands.
- 20.03.17 – Application fee, rental rate, and assignment fee for leases on state-owned submerged lands and formerly submerged lands.
- 20.04.02 – Fee imposed upon the harvest and sale of forest products to establish hazard management performance bonds for the abatement of fire hazard created by a timber harvest operation, and fees imposed upon contractors for transferring fire suppression cost liability back to the State.
- 20.06.01 – Scaling assessment fee paid to a dedicated scaling account for all scaled timber harvested within the state of Idaho; administrative fees for registration, renewal, and transfer of log brands; fees for testing and issuance of a temporary scaling permit, specialty scaling license, and standard scaling license; fee to renew a specialty or standard scaling license; and fee for a requested check scale involving a scaling dispute.

- 20.07.02 – Bonding for oil and gas activities in Idaho and application fees for seismic operations; permit to drill, deepen or plug back; multiple zone completions; well treatment; pits and directional deviated wells.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning the temporary rules, contact Scott Phillips at (208) 334-0294.

DATED this 4th day of March, 2021.

Dustin Miller
Director
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