



IDAHO OIL AND GAS CONSERVATION COMMISSION

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

James Thum, Acting Secretary to the Commission

Final Minutes
Idaho Oil and Gas Conservation Commission Regular Meeting
May 21, 2024

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, May 21, 2024, at the State Capitol, House Hearing Room, (EW42), Lower Level, East Wing, 700 W Jefferson Street, Boise, Idaho. The meeting began at 1:35 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Commissioner Margaret Chipman
Commissioner Marc Haws
Commissioner Jennifer Riebe

For the record, a quorum was in attendance; four Commissioners were present at the physical location. Vice Chairman Hinchcliff did not attend. Commissioner Riebe arrived at 1:49pm. Oil and Gas Program Manager James Thum acted as Secretary to the Commission and was present at the physical location.

• **ANNOUNCEMENTS**

Chairman Coppersmith announced that the new Division Administrator will be on board soon.

1. Division Administrator's Report

A. Financial Update

Chairman Coppersmith asked if the January/February revenue of \$1,430.10 was legal fees. Program Manager James Thum responded yes, that it was the recovery of administrative costs.

B. Current Oil and Gas Activity and Discussion

- i. CC-2024-OGR-01-001 hearing process
- ii. Inspections and pneumatic systems conversion
- iii. ML Investments #1-11 Inactive status extension

Commissioner Chipman asked what is involved in the reclamation of a plugged and abandoned well. Mr. Thum explained that the requirements as defined in rule is to reclaim back to the native, natural condition as it was before the well was drilled. Commissioner Haws noted that a well on the corner of Highway 30 and 1st Avenue (east of New Plymouth) must have been reclaimed as it is now a farm field and inquired if that expense was on the operator or the farmer. Mr. Thum stated that it is generally a cost borne by the operator as when they sign a surface lease, the

surface owner may ask for additional conditions of reclamation but it is the responsibility of the operator. Chairman Coppersmith inquired about the requirements for cutting casing and capping wells not in farmland. Mr. Thum responded that the requirement to cut is generally four feet. Commissioner Haws asked if there is any relation between commercial oil prices and the natural gas prices when they decided to stop producing natural gas. Mr. Thum responded that oil and gas marketing can be complicated as liquids prices are rising slightly but natural gas prices have gone down. Because gas was not used a lot over the winter, storage volumes were not depleted. He added that recent data shows that gas storage is at a 5-year high for this time of year so natural gas prices are very low as demand to fill storage is low. The operator therefore must make a decision to produce based on economics. Commissioner Haws clarified that he was wondering about correlation in prices and that he is understanding that they are unique standalone economics. Mr. Thum confirmed yes and added that the Department is working to have someone give a presentation to the Commission regarding natural gas prices and the economics of it.

Regarding item 1b.ii, Commissioner Riebe asked if IDEQ is relying on the Departments inspections or if they do their own. Mr. Thum responded that his understanding is that they conduct their own inspections, the Department can share their results with IDEQ, and that the April inspection reports are now posted on the website. Commissioner Haws asked if there is an additional cost to the operator for switching from pneumatic to nitrogen valves. Mr. Thum responded yes, that the operator has additional equipment on site and ready to install. Commissioner Haws inquired about the operator's expense to modify the valve systems. Mr. Thum responded that he did not know the cost of the modifications. Chairman Coppersmith stated that most companies will budget in advance when there is a compliance change.

Regarding item 1b.i, Mr. Thum explained that the Department has transitioned administrative hearings to the Office of Administrative Hearings (OAH). Chairman Coppersmith asked that since this is a new process for us, if the Department knew how long this hearing process will take. Mr. Thum explained that the Department had several meetings with OAH in 2023 to discuss the process and that OAH would make every effort to follow our timeframes.

- **CONSENT – ACTION ITEM(S)**

2. **Approval of Minutes** - February 20, 2024 – Regular Meeting (Boise)

COMMISSION ACTION: A motion was made by Commissioner Riebe that the Commission approve the meeting minutes. Commissioner Haws seconded the motion. The motion carried on a vote of 4-0.

Background information was provided by the presenter indicated below. No Commission action is required on the Information Agenda.

- **INFORMATION**

3. **Update on Rulemaking 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

4. **Future Information Item Topics for the Commission** - Discussion request from the Department

