IDAHO OIL AND GAS CONSERVATION COMMISSION OPEN MEETING CHECKLIST

Regular Meetings

05/23/23	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) or more calendar days before meeting.
05/23/23	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) or more calendar days before meeting.
05/23/23	Notice of Meeting posted in prominent place at meeting location five (5) or more calendar days before meeting.
05/23/23	Notice of Meeting published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
05/23/23	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.
05/23/23	Notice of Meeting posted electronically on the OGCC public website https://ogcc.idaho.gov/ five (5) or more calendar days before meeting.
05/23/23	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
05/23/23	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
05/23/23	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
05/23/23	Agenda published on Townhall Idaho website https://townhall.idaho.gov forty-eight (48) hours before meeting.
05/23/23	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
05/23/23	Agenda posted electronically on the OGCC public website https://ogcc.idaho.gov/ forty-eight (48) hours before meeting.
12/13/22	Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA
05/23/23	Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA

Special Meetings

	DA	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.
	ONS	Notice of Meeting and Agenda published on Townhall Idaho website https://townhall.idaho.gov 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 posted at meeting location twenty-four (24) hours before meeting.
Notice of Meeting and Agenda published on Townhall Idaho website https://townhall.idaho.gov twentyfour (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.

Kowney Romine

5/23/2023

RECORDING SECRETARY

DATE



IDAHO OIL AND GAS CONSERVATION COMMISSION



Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Notice of Public Meeting June 2023

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on Tuesday, June 6, 2023, at the State Capitol, House Hearing Room, (EW42), Lower Level, East Wing, 700 W Jefferson Street, Boise. The meeting is scheduled to begin at 1:30 pm (MT).

Please note meeting location.

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 at this meeting.

The meeting will be streamed live via IPTV: https://www.idahoptv.org/shows/idahoinsession/



First Notice Posted: 05/23/2023-IDL Boise; 05/23/2023-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

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Final Agenda

Idaho Oil and Gas Conservation Commission Regular Meeting June 6, 2023 - 1:30 PM (MT)

State Capitol, House Hearing Room, (EW42), Lower Level, East Wing, 700 W Jefferson Street, Boise

Please note meeting location.

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 at this meeting.

The meeting will be streamed live via IPTV: https://www.idahoptv.org/shows/idahoinsession/

ANNOUNCEMENTS

No public comment will be accepted at this meeting.

- 1. Division Administrator's Report
 - A. Financial Update
 - B. Current Oil and Gas Activity
- REGULAR ACTION ITEM(S)
- 2. Format of meeting minutes for the Commission
- CONSENT ACTION ITEM(S)
- 3. Approval of Minutes (revised) November 15, 2022 Regular Meeting (Boise)
- 4. Approval of Minutes February 21, 2023 Regular Meeting (Boise)
- 5. Approval of Minutes March 29, 2023 Special Meeting (Boise)
- **6.** Approval of Minutes April 13, 2023 Special Meeting (Boise)

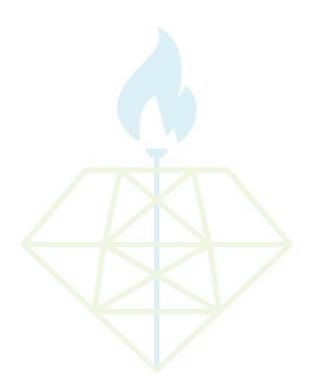
Idaho Oil and Gas Conservation Commission
Final Agenda
Regular Meeting (Boise) – June 6, 2023
Page 1 of 2

INFORMATION

- 7. Update on Proposed Legislation for Title 47, Chapter 3, Idaho Code for the 2023 Legislative Session

 Presented by Mick Thomas, Division Administrator Minerals, Navigable Waters, and Oil & Gas
- Executive

None







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 February, 2023 Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report

		Current	
		Month	Year-to-Date
Beginning Cash Balance 7/1/2022	340,848.71		
Permits		1,300.00	7,900.00
*Severance Tax		163,694.37	367,227.66
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		164,994.37	375,127.66
Personnel Expenditures		(9,294.92)	(67,510.88)
Operating Expenditures		(41.30)	(15,143.99)
P-Card Liability to be paid		0.00	0.00
Ending Cash Balance 2/28/2023			633,321.50

^{*}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 FY23

		Current		
Expenses	Allocation	Month	Year-to-Date	Balance
PC	285,492.00	15,785.76	129,330.43	156,161.57
OE	92,794.00	1,785.32	27,235.00	65,559.00
CO	0.00	0.00	0.00	0.00
Total	378,286.00	17,571.08	156,565.43	221,720.57

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY23

			Current		
Expenses		Allocation	Month	Year-to-Date	Balance
PC -	T T	64,812.00	9,294.92	67,510.88	(2,698.88)
OE	ш	86,700.00	41.30	15,143.99	71,556.01
СО		3,500.00	0.00	0.00	3,500.00
	Total	155,012.00	9,336.22	82,654.87	72,357.13
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Oil and Gas Regulatory Program Activities Report as of March, 2023 Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report

	ĺ	Current	
		Month	Year-to-Date
Beginning Cash Balance 7/1/2022	340,848.71		_
Permits		0.00	7,900.00
*Severance Tax		0.00	367,227.66
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		0.00	375,127.66
Personnel Expenditures		(13,473.23)	(80,984.11)
Operating Expenditures		(41.30)	(15,185.29)
P-Card Liability to be paid		0.00	0.00
Ending Cash Balance 3/31/2023			619,806.97

^{*}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 FY23

		Current		
Expenses	Allocation	Month	Year-to-Date	Balance
PC	285,492.00	22,690.82	152,021.25	133,470.75
OE	92,794.00	2,443.91	29,678.91	63,115.09
CO	0.00	0.00	0.00	0.00
Total	378,286.00	25,134.73	181,700.16	196,585.84

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY23

		Current		
Expenses	Allocation	Month	Year-to-Date	Balance
PC —	64,812.00	13,473.23	80,984.11	(16,172.11)
OE	42,100.00	41.30	15,185.29	26,914.71
со	48,100.00	0.00	0.00	48,100.00
Total	155,012.00	13,514.53	96,169.40	58,842.60
CONSER	VATI(ON	COV	лMIS

Oil and Gas Regulatory Program Activities Report as of April, 2023 Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report

		Current	
		Month	Year-to-Date
Beginning Cash Balance 7/1/2022	340,848.71		
Permits		0.00	7,900.00
*Severance Tax		109,099.15	476,326.81
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		109,099.15	484,226.81
Personnel Expenditures		(9,308.10)	(90,292.21)
Operating Expenditures		(1,017.30)	(16,202.59)
Capital Outlay Expenditures		(44,508.00)	(44,508.00)
P-Card Liability to be paid		976.00	976.00
Ending Cash Balance 4/30/2023			675,048.72

^{*}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 FY23

		Current		
Expenses	Allocation	Month	Year-to-Date	Balance
PC	285,492.00	19,492.16	171,513.41	113,978.59
OE	92,794.00	12,845.99	42,524.90	50,269.10
CO	0.00	0.00	0.00	0.00
Total	378,286.00	32,338.15	214,038.31	164,247.69

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY23

		Current		
Expenses	Allocation	Month	Year-to-Date	Balance
PC	64,812.00	9,308.10	90,292.21	(25,480.21)
OE	42,100.00	1,017.30	16,202.59	25,897.41
СО	48,100.00	44,508.00	44,508.00	3,592.00
Tota	I 155,012.00	54,833.40	151,002.80	4,009.20



Southwest Idaho Oil & Gas Activity Map



Legend

Active Oil And Gas Wells

Shut in Gas

Producing - Multi Zone

Producing

Permitted



No.	US Well Number	Operator	Well Name	Status
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	Producing
3	11-075-20022	Snake River O&G	ML Investments #2-10	Producing
4	11-075-20023	Snake River O&G	DJS Properties #2-14	Shut in (Class II appl.)
5	11-075-20024	Snake River O&G	Kauffman #1-34	Shut In
6	11-075-20025	Snake River O&G	ML Investments #1-11	Producing (temp. S/I)
7	11-075-20026	Snake River O&G	ML Investments #1-3	Producing
8	11-075-20027	Snake River O&G	Kauffman #1-9	Producing (temp. S/I)
9	11-075-20029	Snake River O&G	ML Investments #2-3	Producing
10	11-075-20031	Snake River O&G	ML Investments #3-10	Producing
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	Producing
15	11-075-20038	Snake River O&G	Dutch-Lane #1-13	Producing
16	11-075-20039	Snake River O&G	Irvin #1-19	Confidential
17	11-075-20040	Snake River O&G	Barlow #3-14	Confidential

Map Notes and Data Sources

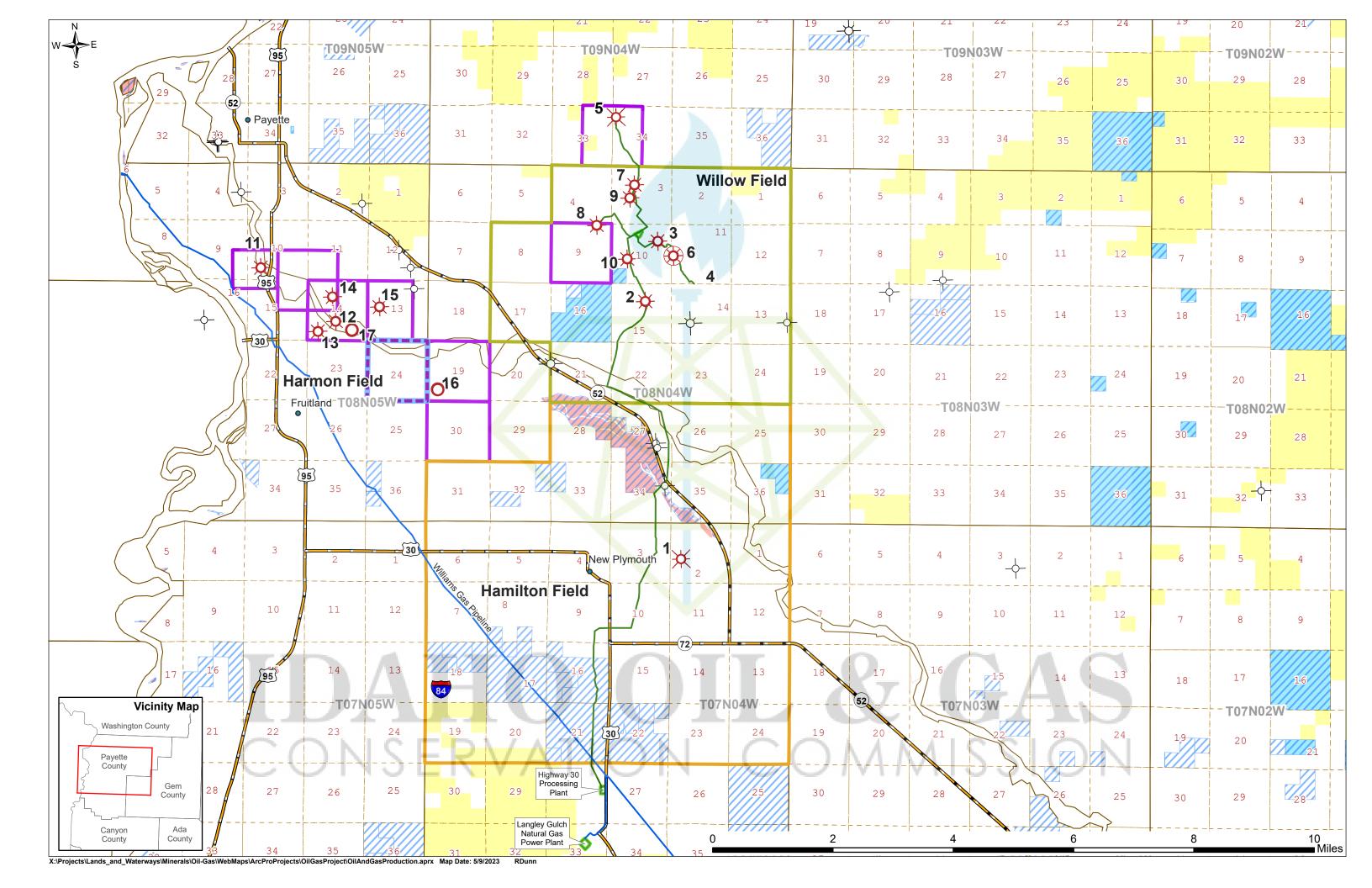
Inactive and Active Oil And Gas Wells through 2/1/2023

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.

Map produced by: Idaho Department of Lands, Boise Staff Office, GIS Department 2/1/2023



IDAHO OIL AND GAS CONSERVATION COMMISSION June 6, 2023 Regular Agenda

SUBJECT

Format of meeting minutes for the Commission

BACKGROUND

The Oil and Gas Conservation Commission (Commission) has followed a combination of verbatim and discussion minutes for a number of years. This approach provides a transcriptive record of the meeting while correcting grammar and removing the "filler" terms such as "um", "ah", etc. Historically, this approach has provided the most consistent record of Commission meetings since interpretation of speaker intent is not considered. The approach also allows the minutes to be created by administrative staff outside the Oil & Gas Program who may not have participated in the meeting or have extensive knowledge of the topics.

The Idaho Department of Lands (Department) is the administrative arm of the Commission as provided for in Idaho Code 47-314(7). This arrangement allows for administrative needs to be fulfilled by the Department. In this capacity, meeting minutes are created by Department staff after a meeting occurs using the audio and/or video recording of the meeting. Often times, the creation of these minutes is completed with the assistance of Department staff outside the Oil & Gas Program. These minutes are then provided at a subsequent meeting for approval, denial, or modification by the Commission.

At the November 2022 meeting, the Commission had lengthy discussion on the status of the injection well, which was not an agenda item but was an update provided by the Division Administrator. This resulted in lengthy minutes on that item. The Commission has asked for a review of the minutes process as a result of these minutes in order to optimize the process moving forward.

DISCUSSION

The Division Administrator has worked with Chairman Coppersmith and Commissioner Riebe in the review of the November minutes as well as with Department staff who created the minutes. The collaboration resulted in three versions of November's minutes as well as potential processes moving forward.

- Attachment one is the original November minutes created by Department staff from the recording, with one revision correcting a title. This version captures the conversations nearly verbatim. This version also uses existing staff resources.
- Attachment two is provided by Commissioner Riebe. This version is not a verbatim approach, removes and/or modifies more wording, but provides for a more readable version of the meeting minutes.

• Attachment three is provided by Department staff Renée Jacobsen. This version is edited to remove more general back and forth conversation.

The current process provides a high level of transparency and is most consistent with the audio/video recording. Also, current staff resources are not available to follow the process used in attachments two or three on a regular basis.

RECOMMENDATION

Using the November meeting minutes attached, please provide direction to the Department on what method to use moving forward. This decision will take effect immediately.

COMMISSION ACTION

ATTACHMENTS

- 1. Original (revised) November 2022 draft minutes
- 2. Commissioner Riebe version of November 2022 draft minutes
- 3. Renée Jacobsen version of edited November 2022 draft minutes





IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Revised - Draft Minutes Idaho Oil and Gas Conservation Commission Regular Meeting November 15, 2022

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, November 15, 2022, with the physical location at State Capitol, House Hearing Room, (EW42), Lower Level, East Wing, 700 W Jefferson Street, Boise, Idaho. The meeting began at 1:33 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Ray Hinchcliff Commissioner Jim Classen Commissioner Jennifer Riebe

For the record, a quorum was in attendance; the four Commissioners and Secretary Thomas were present at the physical location. Commissioner Miller was absent.

ANNOUNCEMENTS

Chairman Coppersmith went over the agenda items and explained that there was an executive session then the meeting will adjourn after that.

1. Division Administrator's Report

A. Financial Update

Commissioner Classen asked if the cash balance that is left over is a slush fund that carries forward. Secretary Thomas responded that the cash balance carried forward; that there is a specific amount we are allowed to keep. He added that he thinks it is twice what the spending allocation is. If we go over that then the excess will roll into the general fund.

B. Current Oil and Gas Activity

Commissioner Classen stated that there was a hearing for an integration. Secretary Thomas explained that there was a hearing for "just and reasonable" about a month ago and that there was an order in development for that then the integration hearing will be in 2023. Commissioner Classen commented that there was still a long delay in the process. Secretary Thomas responded that more discussion will be given during the update on the statute change.

C. Status Update

i. Class II Injection Well – Permit Status

Idaho Oil and Gas Conservation Commission

Revised - Draft Minutes

Regular Meeting (Boise) – November 15, 2022

Page 1 of 6

Commissioner Classen asked why it is 10-12 months before they think it will be functional. Secretary Thomas responded that he did not know that it is going to be 10-12 months, but that it will take some amount of time. He added that he thinks in the secretary update he said it should be functional in 2023. Secretary Thomas guessed that contracting and scheduling equipment to come to the site and do the work is an unknown in our location. He does not know how long it is going to take the operator to get the equipment on site. Commissioner Classen stated that it should take four days to complete the well, roughly. Secretary Thomas explained that once the equipment is on site, he would also imagine that there's inspections that are going to be needed by the EPA staff to make sure that everything gets checked off. He stated that it may move quickly, but that he is not aware of the timeline there as he has not spoken with the operator about these timelines so they may already have things lined up. Commissioner Classen noted that if he were an operator, it would be functional the end of this year. Secretary Thomas offered to follow up with the operator and get an update and put it in the next secretary update. Commissioner Classen responded that was a great idea. Vice Chairman Hinchcliff explained they might decide to use their rigs on location and go do the work, that's their business and asked if the EPA specify's what monitoring equipment they had to have. Secretary Thomas answered that he did not see specifics on what monitoring equipment they are requiring. He asked Program Specialist James Thum if he was familiar with anything specific about the kind of equipment they are going to need on site. Mr. Thum stated that he has spent quite a few days going through the permit material and that he is not sure if anyone on the Commission has. He added that in his opinion, there's quite an extensive list of reservoir pressure testing that is going to need to occur before EPA will grant this permit which will involve shutting in existing wells in Willow field, monitoring the pressure, pressuring up the DJS 2-14 and measuring what they call boundary pressure analysis for all those wells. He explained that if you look at some of the notices that they're required to submit, they have to give EPA at least 30 days' notice, so if you give them a notice of 30 days, and they decide they are going to be out there at the end of the 30 days to inspect or follow up, that's a pretty long period of time that they're going to have to wait to get things done so he can't speak to the EPA's timelines as far as doing that, but if you read through and try and assemble what a potential timeline is, it's fairly long and a lot of it has to do with reservoir testing that needs to occur. Vice Chairman Hinchcliff responded that he is assuming their monitoring is pressurerelated then, is what he is assuming based on what you're telling everyone. Mr. Thum responded yes. Vice Chairman Hinchcliff stated that's normally what we do, but he didn't know if there's some new regulation required to have some sort of down-hole sensor or something. Chairman Coppersmith responded no. Commissioner Classen explained that from what he has read, it's a pressure bleed off test and they're going to somehow pressure up these and once they get the well completed, from the top they'll go in and pressure the tubing. He added that they have a packer in the tubing and perfs below the packer and they're going to pump into a pressure, some magic number, not disclosed, and then measure the pressure bleed off to ensure that it's able to handle the volume and that he has never heard of that. Commissioner Classen asked Vice Chairman Hinchcliff if that was common. Vice Chairman Hinchcliff responded that yes, that's fairly common, they're going to want to know some boundary tests and he would imagine the operator is going to want to know that anyway in case they have to stimulate the zone to chelate the water injection. He added that he is sure the EPA's concerned about making sure the water is going into the zone they want it to go into and there's no migration behind pipe.

Chairman Coppersmith noted that the way she read it was that since this is the first injection well, Class II well, that they are requiring maybe more extensive testing than they would on if this was the second or third well. She added that the step-right test that they're asking for are indeed very common and the pressure testing just to ensure integrity that you don't exceed that frac gradient. Chairman Coppersmith added that she was pretty surprised that it wasn't more stringent with this being the first well. She thought that was probably good work between not only your agency, but Snake River as well. It looked like it was a good thorough program without being overly extensive. Secretary Thomas noted that he also believed this and that he could be wrong, that EPA region 10 worked closely with EPA region 8 in the latter part of this permit at least. He added that they referenced them a few times and thinks that body of work may have helped them make sure they hit what was important and not maybe do too much exploration in the other areas. Chairman Coppersmith responded that was good. Vice Chairman Hinchcliff added that the good news is that they finally got a permit, or a potential permit. Chairman Coppersmith inquired about the perforations and that it looked they were, the existing perforations were still open and then they were going to add additional perforations. She asked if they recall, or if they squeezed off the original perforations. Mr. Thum responded that from reading the well construction diagram that they provided, he believes that there were zones deeper in the well below the injection zone that are still open that they will probably have to either squeeze or seal off, that was part of the conditions within the permit that they would have to isolate those zones. Mr. Thum added that there's quite a bit of remedial cementing that's probably going to have to occur in that well and unfortunately, the well was drilled by a former operator, so our completion records aren't necessarily the same as what EPA was able to get from the operator but there are additional perforated zones that do need to be squeezed off. He added that he can't recall whether they were going to add additional perfs within the proposed injection zone or not but noted that there's quite a bit of work that is going to need to be done to that well. Commissioner Classen asked if in Idaho, can you leave the perfs open below and just set a bridge plug with a cement dump. Mr. Thum responded that yes, that's the case. He explained that ultimately, if you plug a well, though, you have to come back and squeeze cement at least a hundred feet on either side of those perforations. He stated that it's operator's choice of in the course of completing or testing a well that they want to set that bridge plug. He believes that there is a bridge plug deeper in that well that may isolate those zones, but he thinks the EPA is requiring that they go in and squeeze those zones to cement them off. Commissioner Classen stated that they'll have to drill at the bridge plugs if there are any. Mr. Thum stated more than likely yes, unless it's some sort of retrievable bridge plug, but he did not recall that information. Commissioner Classen asked if he found out, if he could send him an email. Mr. Thum noted that he thinks all of that is included in the EPA's documents that they put on the web page. Chairman Coppersmith asked if once the well is on injection, assuming they're going to be able to meet all of the requirements and perform all the tests, will that injection information be available as soon as we start injection, or is there confidentiality on this well as well. Mr. Thum explained that his understanding because that is not production data, it's injection information, he did not see any reason why that wouldn't be able to be released immediately. He added that given the EPA's preference for that information being in the public realm, we would certainly have access to it and as a comparison as well, we do have water, produced water, reported on all of our monthly reports so, even if there is some delay in that injection volume, we will have some idea based on our production reports because we'll know how much water is coming out of the reservoir which is a requirement under 47-324. Chairman Coppersmith responded great, thank you James. Chairman Coppersmith stated that

she thinks the Commissioners are all very curious to see how this well performs just because of the history of having to truck the water and being limited because of the amount of water production. Chairman Commissioner Classen noted that they're only using about 1,200 barrels of water, salt water current production, so once the injection well is up and running, and asked if Mr. Thum has had any discourse, or do you have any idea if the operator is going to go back in and pick up some of the older wells and put them back on. Mr. Thum responded that in his own discussions with personnel from Snake River Oil and Gas, that's always been the intent; there are several wells within Willow Field that are currently shut in and the operator has stated many times that the reason those wells are shut in is because there is not an economic way to dispose of the water. He explained that once they reach a certain water cut at this point, they just can't produce the wells because they can't get rid of the water in an economic fashion, it doesn't balance. Mr. Thum added that his understanding is yes, they would bring some of those wells back online, but he has not had any follow up discussions with them to know which ones they would do that, or which ones they ultimately feel won't be economic, and they'll decide to plug. Commissioner Classen suggested that that's an interesting topic that Mick could put in his monthly summaries. Vice Chairman Hinchcliff inquired about the permit is giving them permission to comingle the water from both fields. Mr. Thum clarified that he said from both fields. Vice Chairman Hinchcliff responded and asked if the permit giving them approval to comingle water from both fields for injection. Mr. Thum responded that was correct; the only restriction that he can recall is that they cannot take produced water outside of Payette County. He explained that right now, all of the production does occur in Payette County, but say they decided to move to Canyon County or something like that and drill a well, that well would probably be affected by what the permit limitations are and that any well within Payette County, the EPA has declared they can take the produced water and inject it. Commissioner Riebe stated that she has two questions; is the water that's injected back in periodically tested and is that something that is available to the public as well, the contents of the injection water. Mr. Thum responded that the water, as part of the EPA application, the operator was required to submit water analysis to EPA so they could determine kind of a baseline for what's within the water. He added that he can't recall, but he thinks there is some sort of testing that is required maybe once a year or something for the water that goes back in, but, beyond that he does not know. Commissioner Riebe inquired if that is that available for the public to see, is that part of their application. Mr. Thum stated he believes it is in the original application material, the water analysis. And that he thinks that is all still posted on the EPA Region 10 website and that we do have a link to that on our webpage if you need to look at that. He added that we have a copy of all the materials and that we downloaded the application materials, so we do have a copy of that as well, and then anything else. Mr. Thum added that one response that EPA had to a public request they said that any information that's not posted as part of the ongoing process could be acquired from them through a FOIA request so all of that information would be ultimately available. Commissioner Riebe asked if there is a limited capacity for injecting back in, that she is not familiar with this process. She also asked if it is it something you could take the liquids off of 10 wells before it's full, or one, or 20. Mr. Thum responded that the permit sets a limit of 7.35 million barrels of water, he added that just as a comparison, he thinks Willow and Harmon fields combined have only made, about 200,000 barrels of water and that's since production came online in 2015. He explained that there's quite a ways to go in terms of their limitations and that EPA has also set some pressure and daily limits, that he thinks it is up to, about 1,000 barrels a day which is way over and above what they're producing right now and that those numbers are also included in the permit. Secretary Thomas thanked Mr. Thum for the technical background

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and that he appreciated that input. Secretary Thomas stated that questions that each of the commissioners felled, he is going to go ahead if there's follow up involved, for instance it's going to be a little bit complicated for him to know exactly what wells the operators are going to bring back on until they provide a sundry or something to us but as soon as we get wind of that he will share with the Commission. Secretary Thomas responded to Commissioner Riebe that we do have the injection water test report that was part of the application, Mr. Thum is correct that's on the website and that it's pretty simple for him to find it also and just share that with you, and Mr. Thum probably had similar conversations. Secretary Thomas' conversations with the EPA going back three or four years about this – the water that is being injected is predominately fresh water, it's under 1,000 parts per billion and he thinks the EPA considers an underground water drinking supply anything under 10,000 parts per billion of solids and so it's not salt water in any way, and it's predominately fresh water but he will get that test and send it to the Commission. Commissioner Classen stated 50,000 or something. Secretary Thomas responded that 10,000 is the threshold. Commissioner Classen stated yes, but what they're producing he thinks is about 50. Secretary Thomas heard was it was under 1,000, maybe in the hundreds. Commissioner Classen stated that it varies. Mr. Thum explained that he thinks the report that EPA included said that of the three or four tests the average was about 3,500 parts per million and that there was one abnormally high one that was around 15,000 but EPA determined that that was probably infiltrated with drilling fluids and so it wasn't an accurate measurement of the produced water from the field.

- CONSENT ACTION ITEM(S)
- 2. Approval of Minutes August 16, 2022 Regular Meeting (Boise)

COMMISSION ACTION: A motion was made by Vice Chairman Hinchcliff that the Commission approve the meeting minutes. Commissioner Riebe 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 Proposed Legislation for Title 47, Chapter 3, Idaho Code for the 2023 Legislative Session

 Presented by Mick Thomas, Division Administrator Minerals, Navigable Waters, and Oil & Gas
- 4. Well Cellar Construction and Maintenance Best Practices
- REGULAR ACTION ITEM(S)

None

At 2:17 p.m., Chairman Coppersmith asked for a motion to resolve into executive session for them to consult with legal counsel and that no decisions will be made, the only action item will be to adjourn the meeting. A motion was made by Commissioner Riebe that the Commission convene into Executive Session pursuant to Idaho Code §74-206(1)(f). Commissioner Classen seconded the motion. Chairman

Coppersmith stated a roll call vote is required. <u>Roll Call Vote</u>: Aye: Hinchcliff, Classen, Riebe, Coppersmith; Nay: None; Absent: Miller.

Executive

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: CAIA v. Miller]

At 2:48 p.m., the Commission resolved out of Executive Session by unanimous consent. For the record, no decisions were made during the Executive Session.

There being no further business before the Commission, at 2:48 p.m. a motion to adjourn was made by Commissioner Classen. Commissioner Riebe seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned.





IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Draft Minutes Idaho Oil and Gas Conservation Commission Regular Meeting November 15, 2022

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, November 15, 2022, with the physical location at the State Capitol, House Hearing Room, (EW42), Lower Level, East Wing, 700 W Jefferson Street, Boise, Idaho. The meeting began at 1:33 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Ray Hinchcliff Commissioner Jim Classen Commissioner Jennifer Riebe

For the record, a The four members in attendance represented a quorum was in attendance; the four Commissioners and Secretary Thomas were present at the physical location. Commissioner Miller was absent.

ANNOUNCEMENTS

Chairman Coppersmith went over reviewed the agenda items and explained that there was an would be an executive session then following the regular meeting will adjourn after that.

1. Division Administrator's Report

A. Financial Update

Commissioner Classen asked if the cash balance that is left over is a slush fund that remaining carries forward. Secretary Thomas responded that the cash balance carried carries forward; that but there is only a specific amount we are the OGCC is allowed to keep. He added that he thinks it is twice what the spending allocation is. If we go over Beyond that, then the excess will rolls into the general fund.

B. Current Oil and Gas Activity

Commissioner Classen stated that there was a hearing for an<u>requested information on the</u> integration. Secretary Thomas explained that there was a hearing for "just and reasonable" about a month ago and that there was an order in development for that then the integration hearing will be in 2023. Commissioner Classen commented that there was still a long delay in the process. Secretary Thomas responded that more discussion will be given during the update on the statute change.

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C. Status Update

Class II Injection Well – Permit Status

Commissioner Classen asked why it is 10-12 months before they think it will be functional. Secretary Thomas responded that he did not know that it is going to be would take 10-12 months, but that it will take some amount of time. He added that he thinks in the secretary update he said it should be functional sometime in 2023. Secretary Thomas guessed that contracting and scheduling equipment to come to the site and do the work is an unknown in our location. H and he does not know how long it is going to will take the operator to get the equipment on site. Commissioner Classen stated that it should take roughly four days to complete the well, roughly. Secretary Thomas explained that once the equipment is on site, he would also imagine that there's there are EPA inspections that are going to be needed by the EPA staff to make sure that everything gets checked off. He stated that it may move quickly, but that he is not aware of the timeline there as he has not spoken with the operator about these timelines so they may already have things lined up. Commissioner Classen noted that if he were an operator, it would be functional by the end of this year. Secretary Thomas offered to follow up with the operator and get an update and put it the information in the next secretary update. Commissioner Classen responded that was a great idea. Vice Chairman Hinchcliff explained they might decide to use their rigs on location and goto do the work, that's their business and asked if the EPA specifies specify's what monitoring equipment they had have to have. Secretary Thomas answered that he did not see specifics on what monitoring equipment they are requiring. He asked Program Specialist James Thum if he was familiar with anything specific about the kind of equipment they are going to need on site. Mr. Thum stated that he has spent quite a few days going through the permit material and that he is not sure if anyone on the Commission has. He added that in his opinion, there's quite an extensive list of reservoir pressure testing that will be required is going to need to occur before EPA will grant this permit. which This will involve shutting in existing wells in Willow field, monitoring the pressure, pressuring up the DJS 2-14 and measuring what they call boundary pressure analysis for all those wells. He explained that if you look at some of the notices that they're required to submit, they have to give EPA at least 30 days' notice so the inspection timeline must be factored in., so if you give them a notice of 30 days, and they decide they are going to be out there at the end of the 30 days to inspect or follow up, that's a pretty long period of time that they're going to have to wait to get things done so he can't speak to the EPA's timelines as far as doing that, but if you read through and try and assemble what a potential timeline is, it's fairly long and a lot of it. He stated that the potential EPA timeline also has to do with reservoir testing that needs to occur. Vice Chairman Hinchcliff responded that he is assuming their monitoring is pressure-related then, is what he is assuming based on what you're telling everyone. Mr. Thum responded yes. Vice Chairman Hinchcliff stated that's normally what we do do not but he didn't know if there's some new regulation required to have some sort of requiring a down-hole sensor or something. Chairman Coppersmith responded no. Commissioner Classen explained that from what he has read, it's a pressure bleed off test and they're going to somehow pressure up these and once they get the well completed, from the top they'll go in from the top and pressure pressurize the tubing. He added that they have a packer in the tubing and perfs below the packer, and they're going to They will pump into to an undisclosed pressure, some magic number, not disclosed, and then measure the pressure bleed off to ensure that it's able to handle the volume and that he has never heard of that. Commissioner Classen asked Vice Chairman Hinchcliff if that was common. Vice Chairman Hinchcliff responded that yes, that's fairlyit is common, as they will they're going to want to know some boundary tests values. and h He said the operator will want

this information anyway would imagine the operator is going to want to know that anyway in case they have to stimulate the zone to chelate the water injection. He added that he is sure the EPA's EPA is concerned about making sure the water is going into the desired zone they want it to go into and there's no migration behind the pipe.

Chairman Coppersmith noted that the way she read it was that since this is the first Class II injection well, Class II well, that they are perhaps requiring maybe more extensive testing than they would on if this was the second or third well. She added that the step-right test that they're asking for are is indeed very common and as is the pressure testing just to ensure integrity that you don't exceed that to ensure the frac gradient is not exceeded. Chairman Coppersmith added that she was pretty surprised that it wasn't more stringent with this being the first well, and commended IDL and Snake River Oil and Gas for working well together. She thought that was probably good work between not only your agency, but Snake River as well. It looked like it was She added that it appeared to be a good, thorough program without being overly extensive. Secretary Thomas agreed and noted that he also believed this and that he could be wrong, that EPA region 10 worked closely with EPA region 8 in the latter part of this permit, at least. He added that they referenced them a fewseveral times and thinks that the existing body of work may have helped. them make sure they hit what was important and not maybe do too much exploration in the other areas. Chairman Coppersmith responded that was good. Vice Chairman Hinchcliff added that the good news is that they finally got a permit, or a potential permit. Chairman Coppersmith inquired about the perforations and stated that it looked they wereas if, the existing perforations were still open and then they were going to add additional perforations. She asked if they recall, or if they squeezed off the original perforations. Mr. Thum responded that from reading the well construction diagram that they provided, he believes that there were zones deeper zones in the well below the injection zone that are still open that they will probably have to be either squeezed or sealed off., that was part of the The permit conditions within the permit-specify that they would have to isolate those zones. Mr. Thum added that there's quite a bit of remedial cementing that's probably going towill have to occur in that well. and unfortunately Unfortunately, the well was drilled by a former operator, so our IDL's completion records aren't necessarily the same as what those EPA was is able to get from the current operator but there are additional perforated zones that do need to be squeezed off. He added that he can't recall whether they were going to add additional perfs within the proposed injection zone or not, but noted that there's quite a bit of work that is going towill need to be done to that well. Commissioner Classen asked if in-Idaho allows leaving, can you leave the perfs open below and just setsetting a bridge plug with a cement dump. Mr. Thum responded that yes, that is allowed's the case. He explained that ultimately, if you plug a well, though, you have to come back and squeeze cement at least a hundred feet on either side of those perforations. He stated that it's the operator's choice of in the course of completing or testing a well that whether they want to set that bridge plug. He believes that there is a bridge plug deeper in that well that may isolate those zones, but he thinks the EPA is requiring that they go in and squeeze those zones to cement them off. Commissioner Classen stated that they'll have to drill at the bridge plugs if there are any. Mr. Thum stated more than likely yesagreed, unless it's some sort of retrievable bridge plug, but he did not recall that the specific information. Commissioner Classen asked if he found out, if he could send him an email. Mr. Thum noted that he thinks all of that is included in the EPA's documents that they put that are available on the web page. Chairman Coppersmith asked if once the well is on injection, assuming they're going to be able to meet all of the requirements and perform all the tests, will that the injection information will be available as soon as we once they start injection, or is there

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confidentiality on this well as well if that information will be confidential. Mr. Thum explained that his understanding because that is not production data, it's injection information, he did not see any reason why that wouldn't be able to be it should be able to be released immediately. He added that given the EPA's preference for that information being in the public realmdomain, we-the OGCC would certainly have access to it. and as As an additional comparison as well, we the OGCC also has records of do have water, produced water, reported on in all of our the monthly reports so₇ even if there is some delay in that injection volume, we the Commission will have some idea based on our production reports. because we'll know how much Reporting the quantity of water is-coming out of the reservoir which is a requirement under 47-324. Chairman Coppersmith responded great, thank you James. Chairman Coppersmith stated that she thinks the Commissioners are all very curious to see how this well performs just because of the history of having to truck the water, and being because production has been limited because of due to the amount of water production produced. Chairman Commissioner Classen noted that they're currently only using about 1,200 barrels of water, salt water current production, so once the injection well is up and running, and asked if Mr. Thum has had any discourse, or do you have any idea if whether the operator is going to will go back in and pick up begin pumping some of the older wells once the injection well is in use and put them back on. Mr. Thum responded that in his own-discussions with personnel from-Snake River Oil and Gas, that's always been the intent; there are several wells within the Willow Field that are currently shut in and the operator has stated many times that the reason those wells are shut in is because there is not an economic way to dispose of the water. He explained that once they reach a certain water cut at this point, they just can't produce the wells because they can't get rid of the water in an economic fashion, it doesn't balance. Mr. Thum added that his understanding is yes, that they would probably bring some of those wells back online, but he has not had any follow up discussions with them to know which ones they would do that, or which ones they ultimately feel won't be economic, and re-open and which ones they'll decide to plug. Commissioner Classen suggested that that's an interesting topic that Mick could put this in his monthly summaries. Vice Chairman Hinchcliff inquired about whether the permit is giving them permission will allow them to comingle the water from both fields for injection. Mr. Thum clarified that he said from both fields. Vice Chairman Hinchcliff responded and asked if the permit giving them approval to comingle water from both fields for injection. Mr. Thum responded that was correctyes; the only restriction that he can recall is that they cannot take produced water from outside of Payette County. He explained that right now, all of the production does occur in Payette County, but say they decided to move to Canyon County or something like that and if they decided to drill a well in a different county, that well would probably be affected by what the permit limitations are and that any well within Payette County, the EPA has declared they can take the produced water and inject it. Commissioner Riebe stated that she has two questions; is asked if the injected water that's injected back in will be periodically tested, and is that something that is available to the public as well, the contents of the injection water. Mr. Thum responded that the water, as part of the EPA application, the operator was required to submit water analysis to EPA so they could to determine kind of a baseline for what's within the water. He added that he can't recall, but he thinks there is some sort of periodic testing of the injection water, perhaps once/year, is required, testing that is required maybe once a year or something for the water that goes back in, but, beyond that he does not know. Commissioner Riebe inquired if that is that available for the public to see, is that as part of their application. Mr. Thum stated he believes the water analysis it is in the original application material, the water analysis. And that he thinks that

which is all-still posted on the EPA Region 10 website and that we do have with a link to that on our the OGCC webpage if you need to look at that. He added that we have IDL has a downloaded copy of all the materials and that we downloaded the application materials, so we do have a copy of that as well, and then anything else. Mr. Thum added that one in response that to a public request, EPA had to a public request they said that any information that's not posted as part of the ongoing process could be acquired from them through a FOIA request so all of that information would be ultimately available. Commissioner Riebe asked if there is a limited capacity for injecting back in, the injection well has a limited capacity. that she is not familiar with this process. She also asked if it is it something you could take the liquids off of 10 wells before it's full, or one, or 20. Mr. Thum responded that the permit sets a limit of 7.35 million barrels of water, he added that just and as a comparison, he thinks the Willow and Harmon fields combined have only made, produced about 200,000 barrels of water and that's since production came online in 2015. He explained that there's quite-a long ways to go in terms of their limitations. and that EPA has also set some pressure and daily limits, that he thinks it is may be up to, about 1,000 barrels a day which is are way over and above what they're producing right now. and that tThose numbers are also included in the permit. Secretary Thomas thanked Mr. Thum for the technical background and that he appreciated that input. Secretary Thomas stated that questions that each of the commissioners felled, he is going to go ahead if there's follow up involved, for instance it's going to be a little bit complicated for him to he won't know exactly what wells the operators are going to bring back on until they provide a sundry orthat information something to us but as soon as we get wind of that that is available he will share with the Commission. Secretary Thomas responded to Commissioner Riebe that we do have the injection water test report that was part of the application, Mr. Thum is correct that's on the website and that it's pretty simple for him to find it also and just share that with you, and Mr. Thum probably had similar conversations. Secretary Thomas' stated that in conversations with the EPA going backover the past three or four years about this—he learned that the water that is being injected is predominately fresh water, it's under 1,000 parts per billion, and help thinks the EPA considers an underground water drinking water supply to beanything under 10,000 parts per billion of solids and so it's the injection water is predominantly fresh, not salt water. in any way, and it's predominately fresh water but hHe will get that test and send it to the Commission. Commissioner Classen stated 50,000 or something. Secretary Thomas responded that 10,000 is the threshold. Commissioner Classen stated yes, but what they're producing he thinks what they're producing is about 50. Secretary Thomas stated heard was it was under 1,000, maybe in the hundreds. Commissioner Classen stated that it varies. Mr. Thum explained that he thinks the report that EPA included report said that of the three or four tests, the average was about 3,500 parts per million and that there was one abnormally high one-result that was around 15,000; but-however, EPA determined that that was probably infiltrated with drilling fluids and so it wasn't an accurate measurement of the produced water from the field.

CONSENT – ACTION ITEM(S)

2. Approval of Minutes – August 16, 2022 – Regular Meeting (Boise)

COMMISSION ACTION: A motion was made by Vice Chairman Hinchcliff that the Commission approve the meeting minutes. Commissioner Riebe 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 Proposed Legislation for Title 47, Chapter 3, Idaho Code for the 2023 Legislative Session

 Presented by Mick Thomas, Division Administrator Minerals, Navigable Waters, and Oil & Gas
- 4. Well Cellar Construction and Maintenance Best Practices
- REGULAR ACTION ITEM(S)

None

At 2:17 p.m., Chairman Coppersmith asked for a motion to resolve into executive session for them to consult with legal counsel and that no decisions will be made, the only action item will be to adjourn the meeting. A motion was made by Commissioner Riebe that the Commission convene into Executive Session pursuant to Idaho Code §74-206(1)(f). Commissioner Classen seconded the motion. Chairman Coppersmith stated a roll call vote is required. *Roll Call Vote*: *Aye*: Hinchcliff, Classen, Riebe, Coppersmith; *Nay*: None; *Absent*: Miller.

- Executive
- 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: CAIA v. Miller]

At 2:48 p.m., the Commission resolved out of Executive Session by unanimous consent. For the record, no decisions were made during the Executive Session.

There being no further business before the Commission, at 2:48 p.m. a motion to adjourn was made by Commissioner Classen. Commissioner Riebe seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned.



IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Revised - Draft Minutes Idaho Oil and Gas Conservation Commission Regular Meeting November 15, 2022

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, November 15, 2022, with the physical location at State Capitol, House Hearing Room, (EW42), Lower Level, East Wing, 700 W Jefferson Street, Boise, Idaho. The meeting began at 1:33 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Ray Hinchcliff Commissioner Jim Classen Commissioner Jennifer Riebe

For the record, a quorum was in attendance; the four Commissioners and Secretary Thomas were present at the physical location. Commissioner Miller was absent.

ANNOUNCEMENTS

Chairman Coppersmith went over the agenda items and explained that there was an executive session then the meeting will adjourn after that.

1. Division Administrator's Report

A. Financial Update

Commissioner Classen asked if the cash balance that is left over is a slush fund that carries forward. Secretary Thomas responded that the cash balance carried forward; that there is a specific amount we are allowed to keep. He added that he thinks it is twice what the spending allocation is. If we go over that then the excess will roll into the general fund.

B. Current Oil and Gas Activity

Commissioner Classen stated that there was a hearing for an integration. Secretary Thomas explained that there was a hearing for "just and reasonable" about a month ago and that there was an order in development for that then the integration hearing will be in 2023. Commissioner Classen commented that there was still a long delay in the process. Secretary Thomas responded that more discussion will be given during the update on the statute change.

C. Status Update

i. Class II Injection Well – Permit Status

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Commissioner Classen asked why it is 10-12 months before they think it will be functional. Secretary Thomas responded that he did not know that it is going to be 10-12 months, but that it will take some amount of time. He added that he thinks in the secretary update he said it should be functional in 2023. Secretary Thomas guessed that contracting and scheduling equipment to come to the site and do the work is an unknown in our location. He does not know how long it is going to take the operator to get the equipment on site. Commissioner Classen stated that it should take four days to complete the well, roughly. Secretary Thomas explained that once the equipment is on site, he would also imagine that there's inspections that are going to be needed by the EPA staff to make sure that everything gets checked off. He stated that it may move quickly, but that he is not aware of the timeline there as he has not spoken with the operator about these timelines so they may already have things lined up. Commissioner Classen noted that if he were an operator, it would be functional the end of this year. Secretary Thomas offered to follow up with the operator and get an update and put it in the next secretary update. Commissioner Classen responded that was a great idea. Vice Chairman Hinchcliff explained they might decide to use their rigs on location and go do the work, that's their business and asked if the EPA specify' specifies what monitoring equipment they had to have. Secretary Thomas answered that he did not see specifics on what monitoring equipment they are requiring. He asked Program Specialist James Thum if he was familiar with anything specific about the kind of equipment they are going to need on site. Mr. Thum stated that he has spent quite a few days going through the permit material and that he is not sure if anyone on the Commission has. He added that in his opinion, there's quite an extensive list of reservoir pressure testing that is going to need to occur before EPA will grant this permit which will involve shutting in existing wells in Willow field, monitoring the pressure, pressuring up the DJS 2-14 and measuring what they call boundary pressure analysis for all those wells. He explained that if you look at some of the notices that they're required to submit, they have to give EPA at least 30 days' notice, so if you give them a notice of 30 days, and they decide they are going to be out there at the end of the 30 days to inspect or follow up, that's a pretty long period of time that they're going to have to wait to get things done so he can't speak to the EPA's timelines as far as doing that, but if you read through and try and assemble what a potential timeline is, it's fairly long and a lot of it has to do with reservoir testing that needs to occur. Vice Chairman Hinchcliff responded that he is assuming their monitoring is pressurerelated then, is what he is assuming based on what you're telling everyone. Mr. Thum responded yes. Vice Chairman Hinchcliff stated that's normally what we do, but he didn't know if there's some new regulation required to have some sort of down-hole sensor or something. Chairman Coppersmith responded no. Commissioner Classen explained that from what he has read, it's a pressure bleed off test and they're going to somehow pressure up these and once they get the well completed, from the top they'll go in and pressure the tubing. He added that they have a packer in the tubing and perfs below the packer and they're going to pump into a pressure, some magic number, not disclosed, and then measure the pressure bleed off to ensure that it's able to handle the volume and that he has never heard of that. Commissioner Classen asked Vice Chairman Hinchcliff if that was common. Vice Chairman Hinchcliff responded that yes, that's fairly common., they're going to want to know some boundary tests and he would imagine the operator is going to want to know that anyway in case they have to stimulate the zone to chelate the water injection. He added that he is sure the EPA's concerned about making sure the water is going into the zone they want it to go into and there's no migration behind pipe.

Chairman Coppersmith noted that the way she read it was that since this is the first injection well, Class II injection well, that they are requiring maybe more extensive testing than they would on if this was the second or third well. She added that the step right test that they're asking for are indeed very common and the pressure testing just to ensure integrity that you don't exceed that frac gradient. Chairman Coppersmith added-said that-she was pretty-surprised that it wasn't more stringent with this being the first well. She thought that was probably good work between not only your agency, but Snake River as well. It looked like it was a good thorough program without being overly extensive. Secretary Thomas noted that he also believed this and that he could be wrong, that EPA region 10 worked closely with EPA region 8 in the latter part of this permit at least. He added that they referenced them a few times and thinks t That body of work may have helped them make sure they hit what was important and not maybe do too much exploration in the other areas. Chairman Coppersmith responded that was good. Vice Chairman Hinchcliff added that the good news is that they finally got a permit, or a potential permit. Chairman Coppersmith inquired about the perforations and that it looked they were, like the existing perforations were still open and then they were going to add additional perforations. She asked if they recall, or if they squeezed off the original perforations. Mr. Thum responded that from reading the well construction diagram that they provided, he believes that there were zones deeper in the well below the injection zone that are still open that they will probably have to either squeeze or seal off, that was part of the conditions within the permit that they would have to isolate those zones. Mr. Thum added that there's quite a bit of remedial cementing that's probably going to have to occur in that well and unfortunately, the well was drilled by a former operator, so our completion records aren't necessarily the same as what EPA was able to get from the operator but there are additional perforated zones that do need to be squeezed off. He added that he can't recall whether they were going to add additional perfs within the proposed injection zone or not but noted that there's quite a bit of work that is going to need to be done to that well. Commissioner Classen asked if in Idaho, can you leave the perfs open below and just set a bridge plug with a cement dump. Mr. Thum responded that yes, that's the case. He explained that but ultimately, if you plug a well, though, you have to come back and squeeze cement at least a hundred feet on either side of those perforations. He stated that it's operator's choice of in the course of completing or testing a well that they want to set that bridge plug. He believes that there is a bridge plug deeper in that well that may isolate those zones, but he thinks the EPA is requiring that they go in and squeeze those zones to cement them off. Commissioner Classen stated that they'll have to drill at the bridge plugs if there are any. Mr. Thum stated more than likely yes, unless it's some sort of retrievable bridge plug, but he did not recall that information. Commissioner Classen asked if he found out, if he could send him an email. Mr. Thum noted that he thinks all of that is included in the EPA's documents that they put on the web page. Chairman Coppersmith asked if once the well is on injection, assuming they're going to be able to meet all of the requirements and perform all the tests, will that injection information will be available as soon as we start injection, or is there confidentiality on this well-as well. Mr. Thum explained that his understanding because that is not production data, it's injection information, he did not see any reason why that wouldn't be able to be released immediately. He added that given the EPA's preference for that information being in the public realm, we would certainly have access to it and as a comparison as well, we do have water, produced water, reported on all of our monthly reports so, even if there is some delay in that injection volume, we will have some idea based on our production reports because we'll know how much water is coming out of the reservoir which is a requirement under 47-324. Chairman Coppersmith responded great, thank you

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James. Chairman Coppersmith stated that she thinks the Commissioners are all very curious to see how this well performs just because of the history of having to truck the water and being limited because of the amount of water production. Chairman-Commissioner Classen asked, noted that they're only using about 1,200 barrels of water, salt water current production, so once the injection well is up and running, and asked if Mr. Thum has had any discourse, or do you have any idea if the operator is going to go back in and pick up some of the older wells and put them back on. Mr. Thum responded that in his own discussions with personnel from Snake River Oil and Gas, that's always been the intent; there are several wells within Willow Field that are currently shut in and the operator has stated many times that the reason those wells are shut in is because there is not an economic way to dispose of the water. He explained that once they reach a certain water cut at this point, they just can't produce the wells because they can't get rid of the water in an economic fashion, it doesn't balance. Mr. Thum added that his understanding is yes, they would bring some of those wells back online, but he has not had any follow up discussions with them to know which ones they would do that, or which ones they ultimately feel won't be economic, and they'll decide to plug. Commissioner Classen suggested that that's an interesting topic that Mick could put in his monthly summaries. Vice Chairman Hinchcliff inquired about if the permit is giving them permission to comingle the water from both fields. Mr. Thum clarified that he said from both fields. Vice Chairman Hinchcliff responded and asked if the permit giving them approval to comingle water from both fields for injection. Mr. Thum responded that was correct; the only restriction that he can recall is that they cannot take produced water outside of Payette County. He explained that right now, all of the production does occur in Payette County, but say they decided to move to Canyon County or something like that and drill a well, that well would probably be affected by what the permit limitations are and that any well within Payette County, the EPA has declared they can take the produced water and inject it. Commissioner Riebe stated that she has two questions; inquired is the water that's injected back in periodically tested and is that something that is available to the public as well, the contents of the injection water. Mr. Thum responded that the water, as part of the EPA application, the operator was required to submit water analysis to EPA so they could determine kind of a baseline for what's within the water. He added that he can't couldn't exactly recall, but he thinks there is some sort of testing that is required maybe once a year or something for the water that goes back in, but, beyond that he does not know. Commissioner Riebe inquired if that is that available for the public to see, is that part of their application. Mr. Thum stated he believes it is in the original application material, the water analysis, - Aand that he thinks that is all still posted on the EPA Region 10 website, and that wWe do have a link to that on our webpage if you need to look at that. He added that we have a copy of all the materials and that we downloaded the application materials, so we do have a copy of that as well, and then anything else. Mr. Thum added that one response that EPA had to a public request they said that any information that's not posted as part of the ongoing process could be acquired from them through a FOIA request so all of that information would be ultimately available. Commissioner Riebe asked if there is a limited capacity for injecting back in, that she is not familiar with this process. She also asked if it is it-something you could take the liquids off of 10 wells before it's full, or one, or 20. Mr. Thum responded that the permit sets a limit of 7.35 million barrels of water;, he added that just as a comparison, he thinks Willow and Harmon fields combined have only made, about 200,000 barrels of water and that's since production came online in 2015. He explained that there's quite a ways to go in terms of their limitations and that EPA has also set some pressure and daily limits, that he thinks it is up to, about 1,000 barrels a day which is way over and above what they're producing right now and that those

numbers are also included in the permit. Secretary Thomas thanked Mr. Thum for the technical background and that he appreciated that input. Secretary Thomas stated that questions that each of the commissioners felled, he is going to go ahead if there's follow up involved, for instance it's going to be a little bit complicated for him to know exactly what wells the operators are going to bring back on until they provide a sundryor something to us but as soon as we get wind of that he will share with the Commission. Secretary Thomas responded to Commissioner Riebe that we do have the injection water test report that was part of the application, Mr. Thum is correct-that's on the website and that it's pretty simple for him to find it also and just share that with you, and Mr. Thum probably had similar conversations. Secretary Thomas' conversations with the EPA going back three or four years about this – the water that is being injected is predominately fresh water, it's under 1,000 parts per billion and he thinks the EPA considers an underground water drinking supply anything under 10,000 parts per billion of solids. and so ilt's not salt water in any way, and it's predominately fresh water but he will get that test and send it to the Commission. Commissioner Classen stated 50,000 or something. Secretary Thomas responded that 10,000 is the threshold. Commissioner Classen stated yes, but what they're producing he thinks is about 50. Secretary Thomas heard was it was under 1,000, maybe in the hundreds. Commissioner Classen stated that it varies. Mr. Thum explained that he thinks the report that EPA included said that of the three or four tests the average was about 3,500 parts per million and that there was one abnormally high one that was around 15,000 but EPA determined that that was probably infiltrated with drilling fluids and so it wasn't an accurate measurement of the produced water from the field.

- CONSENT ACTION ITEM(S)
- 2. Approval of Minutes August 16, 2022 Regular Meeting (Boise)

COMMISSION ACTION: A motion was made by Vice Chairman Hinchcliff that the Commission approve the meeting minutes. Commissioner Riebe 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 Proposed Legislation for Title 47, Chapter 3, Idaho Code for the 2023 Legislative Session

 Presented by Mick Thomas, Division Administrator Minerals, Navigable Waters, and Oil & Gas
- 4. Well Cellar Construction and Maintenance Best Practices
- REGULAR ACTION ITEM(S)

None

At 2:17 p.m., Chairman Coppersmith asked for a motion to resolve into executive session for them to consult with legal counsel and that no decisions will be made, the only action item will be to adjourn the meeting. A motion was made by Commissioner Riebe that the Commission convene into Executive

Session pursuant to Idaho Code §74-206(1)(f). Commissioner Classen seconded the motion. Chairman Coppersmith stated a roll call vote is required. *Roll Call Vote*: *Aye*: Hinchcliff, Classen, Riebe, Coppersmith; *Nay*: None; *Absent*: Miller.

Executive

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: CAIA v. Miller]

At 2:48 p.m., the Commission resolved out of Executive Session by unanimous consent. For the record, no decisions were made during the Executive Session.

There being no further business before the Commission, at 2:48 p.m. a motion to adjourn was made by Commissioner Classen. Commissioner Riebe seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned.





IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

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- CONSENT ACTION ITEM(S)
- 2. Approval of Minutes August 16, 2022 Regular Meeting (Boise)

COMMISSION ACTION: A motion was made by Vice Chairman Hinchcliff that the Commission approve the meeting minutes. Commissioner Riebe 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.

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- 4. Well Cellar Construction and Maintenance Best Practices
- REGULAR ACTION ITEM(S)

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Coppersmith stated a roll call vote is required. Roll Vote: Aye: Hinchcliff, Classen, Riebe, Coppersmith; Nay: None; Absent: Miller.

Executive

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Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Draft Minutes Idaho Oil and Gas Conservation Commission Regular Meeting February 21, 2023

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, February 21, 2023, with the physical location at Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise, Idaho. The meeting began at 1:32 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Ray Hinchcliff – via virtual means
Commissioner Jim Classen
Commissioner Dustin Miller
Commissioner Jennifer Riebe

For the record, a quorum was in attendance; four Commissioners and Secretary Thomas were present at the physical location. Vice Chairman Hinchcliff attended via virtual means.

ANNOUNCEMENTS

Chairman Coppersmith provided an overview of the agenda and explained that there will be an executive session with no action items after the executive session. Chairman Coppersmith acknowledged that there was a quorum.

1. Division Administrator's Report

A. Financial Update

Commissioner Classen asked for a short course on the two funds. Secretary Thomas explained that we do not delineate, for example, operational costs out of one fund and personnel costs out of another fund; we pool out of both of them. Chairman Coppersmith inquired if we expect any out of the ordinary expenses looking forward. Secretary Thomas responded that we do not foresee any out of the ordinary expenses and do not envision any changes in staff in this fiscal year. He added that it has been a good year for oil and gas in the state and hopes that it continues and forecasts in the near future that it will continue.

B. Current Oil and Gas Activity

Commissioner Riebe asked for a breakdown or summary of the numbers. Secretary Thomas stated that he would send it out in an email and include it in the March Secretary update. Commissioner Classen clarified that the operator received roughly seven times what they gave out as royalty. Secretary Thomas responded yes, roughly, assuming 1/8 royalty. Commissioner Classen stated

that was a big chunk and would help pay for the processing plant and they are finally making a little money.

C. Status Update

- i. Class II Injection Well Permit Status
- ii. Tracy Trust #3-2 well status update

Vice Chairman Hinchcliff asked if the department will make a final inspection once the well is plugged. Secretary Thomas responded yes, that was correct. Commissioner Miller inquired if there was any other proposed activity for the Hamilton Field because the Tracy Trust well is the only well there that has been shut in. Secretary Thomas responded that Commissioner Miller was correct and that there was no more activity that they are aware of for the Hamilton Field. He added that there were some historical wells in that field that did produce and that they have been plugged and abandoned and are no longer tracked in this report. Secretary Thomas believes that the majority of interest right now is probably closer to the Idaho/Oregon line, up in the Harmon Field.

CONSENT – ACTION ITEM(S)

2. Approval of Minutes – November 15, 2022 – Regular Meeting (Boise)

DISCUSSION: Chairman Coppersmith noted that they did have a lengthy discussion about the injection well during the update and assumed that everyone had a chance to review and asked for a motion to accept. Commissioner Riebe announced that she had a couple of changes. She noted that she is not used to seeing minutes for public meetings that are more of a transcript style, so she went through with her red pen and made changes expecting to change them, but was under the impression that this is the style of minutes that we typically use and asked if that was correct. Commissioner Classen responded that it varies. Secretary Thomas explained that the minutes are designed to be easily read, and that we can deviate from a specific word-for-word transcript and eliminate, frankly, all of the "um," "ah, "uh," that kind of stuff which is now going to be, ironically, in the next transcript, which is hilarious. He added that regarding any changes they have, they can provide those to our staff then we'll make those changes and then we can vote on the minutes at the next meeting; if that is okay with them. Commissioner Riebe responded that was fine, and that she would prefer to do that herself, if that was okay with everybody else. She stated that she did talk to James Thum, and he said that he thought that we were required to write pretty much verbatim from the recording what was said. Secretary Thomas clarified that it is important to be as factual as possible and gave an example that when he was reading the minutes from the last meeting, he read parts of it and realized, "oh wait, this is what I meant to say, but it wasn't what I said," but he does not have that sort of authority to change wording to that degree. Commissioner Riebe understood and stated she sees it more as taking out some of the more conversational pieces, like the "ums" and "ahs" and statements that are repeated just because we're thinking out loud. Secretary Thomas responded fair enough. Commissioner Riebe explained that she was happy to read through these minutes over the weekend and asked if it's possible to get them in a document form that she can revise rather than just doing it by hand.

Renee Jacobsen, Management Assistant, explained that typically we summarize the meeting for the minutes but that there are times when the discussion is so lengthy it takes more time on our part to do the summary and that is why occasionally you'll see them in more that verbatim. She added that

we do try to eliminate all of the extra repetitive thoughts, and certainly if you're saying "so," "um," "ah," that is typically something we try to do, so if we didn't this time, she apologizes. Commissioner Riebe responded that was fine; that it's more of just a style that she is used to and guessed that she is little bit particular about minutes because it is the record that people will look to. She added if they don't have the video capability or want to go back and see the recording, they'll read the minutes, so she thinks it's important to have it most accurately reflect what was discussed. She thought when it's conversational, she personally finds it hard to parse through and figure out what was actually said beyond the conversation. Ms. Jacobsen responded that sometimes it's just the time. Ms. Jacobsen compared it to Land Board and that they used to also summarize Land Board but that it got to the point where it was taking so much longer to try and summarize, and you get into the possibility that in trying to clean up what is being said, or what was intended, we're maybe overreaching what we ought to be doing. She stated it's true that the transcript does show occasional little eccentricities in the manner of speaking, but if anyone were to get the recording that is exactly what they would hear. Ms. Jacobsen noted that we're open to suggestion, and if it's not such a controversial topic, we will probably summarize more than do that transcript form. Commissioner Riebe explained that she always reads the minutes, so she is happy to make those changes that she sees and asked if it was possible to get that in a document form so we can do it as a revision, and it shows up as a revision for people to see. Ms. Jacobsen responded that we can, but ultimately if they are going to compare to the recording; we can certainly give you the Word version and see what a change is, and the Commission does vote and accept it.

Chairman Coppersmith asked for a clarification of what the process is; if we do read the minutes and would like a revision, is that something that needs to take place in a meeting, or should each Commissioner have a version, and submit it before the meeting. Commissioner Classen stated that he can't remember seeing anything in this much detail over the past 10 years. Chairman Coppersmith said that they did talk about a lot of technical issues here, and use terms that the general public may not understand, so she agrees it seems a little wordy but she knew what we talked about, versus somebody who's picking it up and going, what is a pressure test, that type of thing and that in this case, she can kind of lean more towards the way that the minutes are presented, but typically she does not think we get in this level of detail. Commissioner Riebe noted that she hasn't seen it since she has started, but she likes having minutes that, even if it restates what was said, are easy to understand what was said versus how it was said; so having said that, she personally would opt to get the minutes in a form that we can make those changes, because she is probably not the only one that puts it off to the last minute, and it's hard to make changes that are just the physical version. Commissioner Riebe explained that there were two very minor changes that she thinks do need to be fixed in this version; one is on the fourth page, it says "Chairman Classen" which should be "Commissioner" not Chairman, and on the last page, close to the top, "they provide a sundry" which she thinks should be a "summary." Ms. Jacobsen responded she will look at that. She also added that if they were to receive an editable version and make the revisions, they would still have to go over them in the open meeting, because these would have been published, so the public would need to know what changes were being made. Chairman Coppersmith inquired that procedurally if those two items that were pointed out are incorrect statements, we could as a Commission today approve these minutes, stipulating that those two changes be made. Secretary Thomas explained that they can do that and that these minutes could be reviewed by all the Commissioners and in the next meeting could come back and say, 'on the line 6 of this page, I think it should be that.' He does not think the changes would be robust enough to warrant a lot of discussion, but it could be a good way publicly to go down through everything and make sure we are being transparent on all of the changes. Or you all could literally just agree on the minutes as they are right now, it's your call, but we have delayed voting on minutes for a certain amount of months before, just because of logistics and meetings, and sometimes it's a little bit of an issue because folks want to see the minutes quickly, so we could even have a special meeting, once the minutes are pushed out, to finalize the minutes for this meeting. That's doable as well. Chairman Coppersmith asked for thoughts from other Commissioners. Commissioner Miller explained that he wasn't here for the November 15th meeting, but asked if a motion by somebody who was at the meeting, a motion to table this agenda item until the next regular meeting, would be in order. Then Commissioner Riebe could work with Renée's notes and see if she can reconcile some of the conversation and then we can take a look at the minutes ahead of the next regular meeting and be prepared to make a vote at the next regular meeting to finalize the minutes. Commissioner Riebe responded so moved. Commissioner Classen was going to suggest a motion that we send in our comments, it gets re-written, and bring it back the next meeting to have it reviewed and we can incorporate any and all comments to be incorporated and summed.

COMMISSION ACTION: A motion was made by Commissioner Riebe that the Commission table the minutes until the next meeting. Commissioner Classen seconded the motion. The motion carried on a vote of 5-0.

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

- INFORMATION
- 3. Update on Proposed Legislation for Title 47, Chapter 3, Idaho Code for the 2023 Legislative Session

 Presented by Mick Thomas, Division Administrator Minerals, Navigable Waters, and Oil & Gas
- REGULAR ACTION ITEM(S)

None

At 2:01 p.m., a motion was made by Commissioner Riebe that the Commission convene into Executive Session pursuant to Idaho Code §74-206(1)(f). Commissioner Miller seconded the motion. Chairman Coppersmith stated a roll call vote is required. *Roll Call Vote*: Aye: Hinchcliff, Classen, Miller, Riebe, Coppersmith; Nay: None; Absent: None.

- Executive
- 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: CAIA v. Miller]

At 2:14 p.m., the Commission resolved out of Executive Session by unanimous consent. For the record, no decisions were made during the Executive Session.

There being no further business before the Commission, at 2:18 p.m. a motion to adjourn was made by Commissioner Miller. Commissioner Riebe seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.



IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Draft Minutes Idaho Oil and Gas Conservation Commission Special Meeting March 29, 2023

The special meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, March 29, 2023, at Idaho Department of Lands, Garnet Conference Rooms, 300 N 6th Street, Suite 103, Boise, Idaho. The meeting began at 10:11 a.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Ray Hinchcliff – via virtual means Commissioner Dustin Miller Commissioner Jennifer Riebe – via virtual means

For the record, a quorum was in attendance; two Commissioners and Secretary Thomas were present at the physical location. Vice Chairman Hinchcliff and Commissioner Riebe attended via virtual means. Chairman Coppersmith went over the agenda items.

At 10:12 a.m., a motion was made by Commissioner Miller that the Commission convene into Executive Session pursuant to 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. Commissioner Riebe seconded the motion. Chairman Coppersmith stated a roll call vote is required. *Roll Call Vote*: *Aye*: Hinchcliff, Miller, Riebe, Coppersmith; *Nay*: None; *Absent*: Classen.

Executive

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: CAIA v. Miller, Idaho Federal District Court case No. 1:21-cv-00367-DCN]

At 10:43 a.m., the Commission resolved out of Executive Session by unanimous consent. For the record, no decisions were made during the Executive Session. Chairman Coppersmith brought the Commission into regular session again at 10:45 a.m., after allowing time for people to re-join in the room or via Zoom.

REGULAR (ACTION)

1. CAIA v. Miller, Idaho Federal District Court case No. 1:21-cv-00367-DCN

DISCUSSION: None

COMMISSION ACTION: A motion was made by Commissioner Miller to direct the attorneys to file a motion requesting attorney fees in CAIA v. Miller. Vice Chairman Hinchcliff seconded the motion. The motion carried on a vote of 3-1 with Commissioner Riebe voting nay.

Commissioner Riebe inquired about discussing the minutes. Chairman Coppersmith responded that would be for the next meeting.

There being no further business before the Commission, at 10:47 a.m. a motion to adjourn was made by Commissioner Riebe. Chairman Coppersmith seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned.





IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen, Commissioner Dustin Miller, Commissioner Jennifer Riebe, Commissioner

Mick Thomas, Secretary to the Commission

Draft Minutes Idaho Oil and Gas Conservation Commission Special Meeting April 13, 2023

The special meeting of the Idaho Oil and Gas Conservation Commission was held on Thursday, April 13, 2023, at Idaho Department of Lands, Garnet Conference Rooms, 300 N 6th Street, Suite 103, Boise, Idaho. The meeting began at 1:01 p.m. (MT). Chairman Betty Coppersmith presided via virtual means. The following members were present:

Vice Chairman Ray Hinchcliff – via virtual means Commissioner Jim Classen Commissioner Dustin Miller Commissioner Jennifer Riebe – *via virtual means*

For the record, a quorum was in attendance; two Commissioners and Secretary Thomas were present at the physical location. Chairman Coppersmith, Vice Chairman Hinchcliff, and Commissioner Riebe attended via virtual means. Chairman Coppersmith went over the agenda items.

At 1:01 p.m., a motion was made by Chairman Coppersmith that the Commission convene into Executive Session to communicate with counsel for us to discuss the legal ramifications and options for responding to the plaintiffs' latest communication pursuant to Idaho Code §74-206(1)(f). Vice Chairman Hinchcliff seconded the motion. Chairman Coppersmith stated a roll call vote is required. Roll Call Vote: Aye: Hinchcliff, Classen, Miller, Riebe, Coppersmith; Nay: None; Absent: None.

Executive

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: CAIA v. Miller, Idaho Federal District Court case No. 1:21-cv-00367-DCN]

At 2:09 p.m., the Commission resolved out of Executive Session by unanimous consent. For the record, no decisions were made during the Executive Session. Chairman Coppersmith called for a brief recess and brought the Commission back into regular session at 2:19 p.m.

• REGULAR (ACTION)

1. CAIA v. Miller, Idaho Federal District Court case No. 1:21-cv-00367-DCN

DISCUSSION: Chairman Coppersmith explained that what is on the table is the fact that plaintiffs have responded and asked that we consider waiving the request for legal fees and that during the executive session, Ms. Vega went through the implications and options that we as a Commission have, but of course no decisions were made at that time. Chairman Coppersmith opened the floor for discussion. Commissioner Classen stated as to whether or not to recover some of these fees, his concern is who would potentially pay them, and whether it would be appropriate that we should have some return of our attorney fees. He noted that the Commission has been served before and the Commission lost their position, and it cost hard dollars after the lawsuit, of attorney fees, as he recalled about \$95,000. Commissioner Classen suggested that it would be appropriate to recover some of those costs, because they came out of the public's funds from the State of Idaho. He added that for more than 100 years, the extraction of oil and gas has been taking place in other states and the rules and regulations have been fine-tuned over that period and Idaho has merged ideas from other states into our statutes; we have to live by our statutes. Commissioner Classen explained that for the past ten years that he has been on the Commission, a small minority have questioned our regulations. Our Commission and staff have defended the majority as the right to develop their mineral interests; the State of Idaho has spent hundreds of thousands of dollars in this defense, we have had multiple meetings, we have had appeals, the Commissioners, during the lawsuit, had to spend their personal time preventing the loss of any data or previous communication. Commissioner Classen stated that we need to attempt to recover some of these costs, if possible, from the entity causing these costs. Commissioner Classen clarified that what we are talking about today is whether or not we pursue attorney costs, or we take up the compromise offer. He asked Madame Chair if she or someone would tell us why we are here today. Chairman Coppersmith responded that it is to whether the Commission accept the plaintiffs' proposal, or if we continue to pursue the attorney fees; those are the two options that are on the table. Chairman Coppersmith stated that in her opinion, this is something that we should request the attorney fees, mainly because Commissioners are stewards of the resources of the state of Idaho, not only of oil and gas as Oil and Gas Commissioners, but also of financial resources and that we would be remiss if we did not pursue those fees. Vice Chairman Hinchcliff agreed, and he thinks that should be the basis. He added that it is not a basis on what may or may not happen in the future, but he thinks it is a basis on we should be stewards of the State's money and if we have an opportunity to reclaim some of those funds, we should pursue it. Commissioner Riebe pointed out that decision was actually made several weeks ago. Commissioner Miller noted that he appreciates what has been said and that they have all given a lot of thought to this on what we individually think is the right path forward here. He added that there are other parties involved in this litigation as well and we do not know what may be offered to them in terms of a settlement but we have to stay focused on what is right for the Commission and the state of Idaho, and as Betty said, being stewards of the natural resource out there that we are responsible for along with the money that has been entrusted to us by the taxpayers of Idaho to make sure is used appropriately. Commissioner Miller agrees with what has been said about needing to pursue the attorneys' fees in this case.

COMMISSION ACTION: A motion was made by Commissioner Riebe that the Commission reject the plaintiff's offer and continue to pursue legal fees. Commissioner Classen seconded the motion. The motion carried on a vote of 5-0.

There being no further business before the Commission, at 2:27 p.m. a motion to adjourn was made by Commissioner Classen. Commissioner Miller seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.



IDAHO OIL AND GAS CONSERVATION COMMISSION June 6, 2023 Information Agenda

SUBJECT

Update on Proposed Legislation for Title 47, Chapter 3, Idaho Code for the 2023 Legislative Session

BACKGROUND

Beginning in 2021 and through most of 2022, the Oil and Gas Conservation Commission (Commission) went through the process of revising Idaho code 47-3, also known as the Idaho Oil and Gas Act. The Commission discussed and offered input on the changes and accepted oral comments from the public. Three written comment periods were opened. An oral comment session for the public was offered in March 2022 at the Fruitland City Hall. In addition to the multiple meetings and public comment opportunities, the Idaho Department of Lands (Department) created a website to ensure transparency and provide information to stakeholders and the public at large.

The Commission and Department fall under the Executive Agency Legislative System (EALS) guidelines. Following these guidelines, the Department completed and submitted the required paperwork in 2022. The proposed changes were presented to the 2023 Legislature.

DISCUSSION

Slight changes were made in the Senate to the final text of the bill.

- 47-314(b) The make up of the Commission was changed to require:
 - A county commissioner from a county that currently produces oil and gas and/or has produced oil and gas in the past ten years.
 - Four members appointed by the Governor:
 - A technical expert with five years' experience in oil and gas matters.
 - A member at large.
 - A member experienced in land matters.
 - A mineral rights owner who is not currently leased.
- 47-320-3(c)i Non-consenting Mineral Interest Owners who are integrated into a unit shall receive a minimum of one-eighth (1/8) royalty of any gas, oil, or natural gas liquids produced, proportionate to the owner's interest in the integrated unit. The term "minimum" was added.

The revisions to the Idaho Oil and Gas Act passed through both the House and the Senate and was reported signed by the Governor on April 4, 2023. The bill will become law effective July 1, 2023. The final version will be available to the public at that time.