

IDAHO OIL AND GAS CONSERVATION COMMISSION OPEN MEETING CHECKLIST

FOR MEETING DATE: August 29, 2019

Regular Meetings

8/13/19	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) calendar days before meeting.
8/13/19	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) calendar days before meeting.
8/13/19	Notice of Meeting posted in prominent place at meeting location five (5) calendar days before meeting.
8/13/19	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) calendar days before meeting.
8/13/19	Notice of Meeting posted electronically on the OGCC public website https://ogcc.idaho.gov/ five (5) calendar days before meeting.
8/21/19	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
8/21/19	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
8/21/19	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
8/21/19	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
8/21/19	Agenda posted electronically on the OGCC public website https://ogcc.idaho.gov/ forty-eight (48) hours before meeting.
12/21/18 3/4/19 5/20/19	Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA <ul style="list-style-type: none"> • Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA • 2nd Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA

Special Meetings

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

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

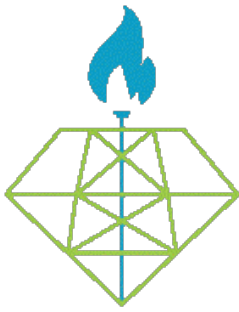
	Notice of Meeting and Agenda posted in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested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

Kourtney Romine

RECORDING SECRETARY

8/22/19

DATE



IDAHO OIL AND GAS CONSERVATION COMMISSION

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

Mick Thomas, Secretary to the Commission

NOTICE OF PUBLIC MEETING AUGUST 2019

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on **Thursday, August 29, 2019** at the **State Capitol, House Hearing Room (EW42), Lower Level, East Wing, 700 W Jefferson St., Boise, Idaho**. The meeting is scheduled to begin at **1:00 pm (MT)**.

Please note meeting location and time.

This meeting will be streamed live via audio at this web site address <http://idahoptv.org/insession/other.cfm>

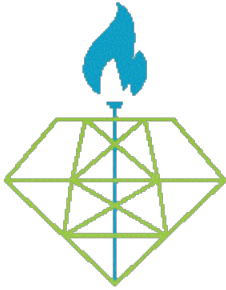
IDAHO OIL & GAS
CONSERVATION COMMISSION

First Notice Posted: 8/13/2019-IDL Boise; 8/13/2019-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, Chairman
Marc Shigeta, Vice Chairman
Jim Classen, Commissioner
Dr. Renee Love, Commissioner
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

Final Agenda

Idaho Oil and Gas Conservation Commission Regular Meeting

August 29, 2019 – 1:00 PM (MT)

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

Please note meeting time and location.

- **ANNOUNCEMENTS**

Public comment will be taken on agenda items listed below.

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

- A. Financial Update
- B. Current Oil and Gas Activity
- C. Status Update
 - i. Class II Injection Well – Permit Status

- **CONSENT – ACTION ITEM(S)**

- 2. **Approval of Minutes** – May 29, 2019 - Regular Meeting (Boise)

- **REGULAR – ACTION ITEM(S)**

- 3. **Election of Chairman and Vice-Chairman** – *Presented by Mick Thomas, Division Administrator – Oil and Gas*

- **INFORMATION**

- 4. **Overview of the Commission's Role in Applications** – *Presented by Kristina Fugate, Deputy Attorney General*

Idaho Oil and Gas Conservation Commission
Final Agenda
Regular Meeting (Boise) – August 29, 2019
Page 1 of 2

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

5. **Operator Records Examined/Allocation Investigation** – Presented by Dave Schwarz, Field Inspector – Oil and Gas

6. **Quarterly Report - Second Quarter 2019** – Presented by James Thum, Program Manager – Oil and Gas

- **EXECUTIVE SESSION**

None



IDAHO OIL & GAS CONSERVATION COMMISSION



Idaho Statutes

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

TITLE 74
TRANSPARENT AND ETHICAL GOVERNMENT
CHAPTER 2
OPEN MEETINGS LAW

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

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

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

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

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

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

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

History:

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

How current is this law?

Search the Idaho Statutes and Constitution

IDAHO OIL & GAS
CONSERVATION COMMISSION

**Oil and Gas Regulatory Program
Activities Report as of July, 2019
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2019	253,393.68		
Permits		2,600.00	2,600.00
*Severance Tax		5,061.82	5,061.82
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		7,661.82	7,661.82
Personnel Expenditures		(6,959.56)	(6,959.56)
Operating Expenditures		(52.88)	(52.88)
P-Card Liability to be paid		0.00	0.00
Ending Cash Balance 06/30/2020		254,043.06	254,043.06

*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 FY20

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55000 Expenses				
PC	400,005.00	30,465.39	30,465.39	369,539.61
OE	102,200.00	5,001.71	5,001.71	97,198.29
CO	0.00	0.00	0.00	0.00
Total	502,205.00	35,467.10	35,467.10	466,737.90

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY20

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55070 Expenses				
PC	87,343.00	6,959.56	6,959.56	80,383.44
OE	85,000.00	52.88	52.88	84,947.12
CO	0.00	0.00	0.00	0.00
Total	172,343.00	7,012.44	7,012.44	165,330.56



Southwest Idaho Oil & Gas Activity Map



Legend

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

No.	US Well Number	Operator	Well Name	Status
1	11-075-20004	AM Idaho, LLC	Espino #1-2	Shut in
2	11-075-20005	AM Idaho, LLC	State #1-17	Shut in
3	11-075-20007	AM Idaho, LLC	ML Investments #1-10	Shut in
4	11-075-20009	AM Idaho, LLC	Island Capitol #1-19	Shut in
5	11-075-20011	AM Idaho, LLC	Tracy Trust #3-2	Shut in
6	11-075-20013	AM Idaho, LLC	White #1-10	Shut in
7	11-075-20014	AM Idaho, LLC	Korn #1-22	Shut in
8	11-075-20020	AM Idaho, LLC	DJS Properties #1-15	Producing
9	11-075-20022	AM Idaho, LLC	ML Investments #2-10	Producing
10	11-075-20023	AM Idaho, LLC	DJS Properties #2-14	Shut In
11	11-075-20024	AM Idaho, LLC	Kauffman #1-34	Shut In
12	11-075-20025	AM Idaho, LLC	ML Investments #1-11	Producing
13	11-075-20026	AM Idaho, LLC	ML Investments #1-3	Producing
14	11-075-20027	AM Idaho, LLC	Kauffman #1-9	Shut In
15	11-075-20029	AM Idaho, LLC	ML Investments #2-3	Producing
16	11-075-20031	AM Idaho, LLC	ML Investments #3-10	Producing
17	11-075-20032	AM Idaho, LLC	Fallon #1-10	Shut In
18	11-075-20033	AM Idaho, LLC	Barlow #1-14	Shut In

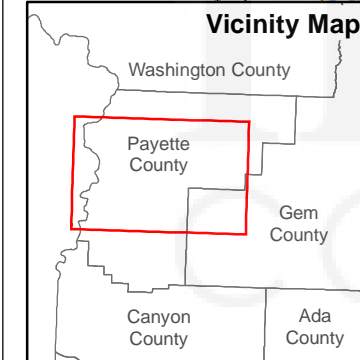
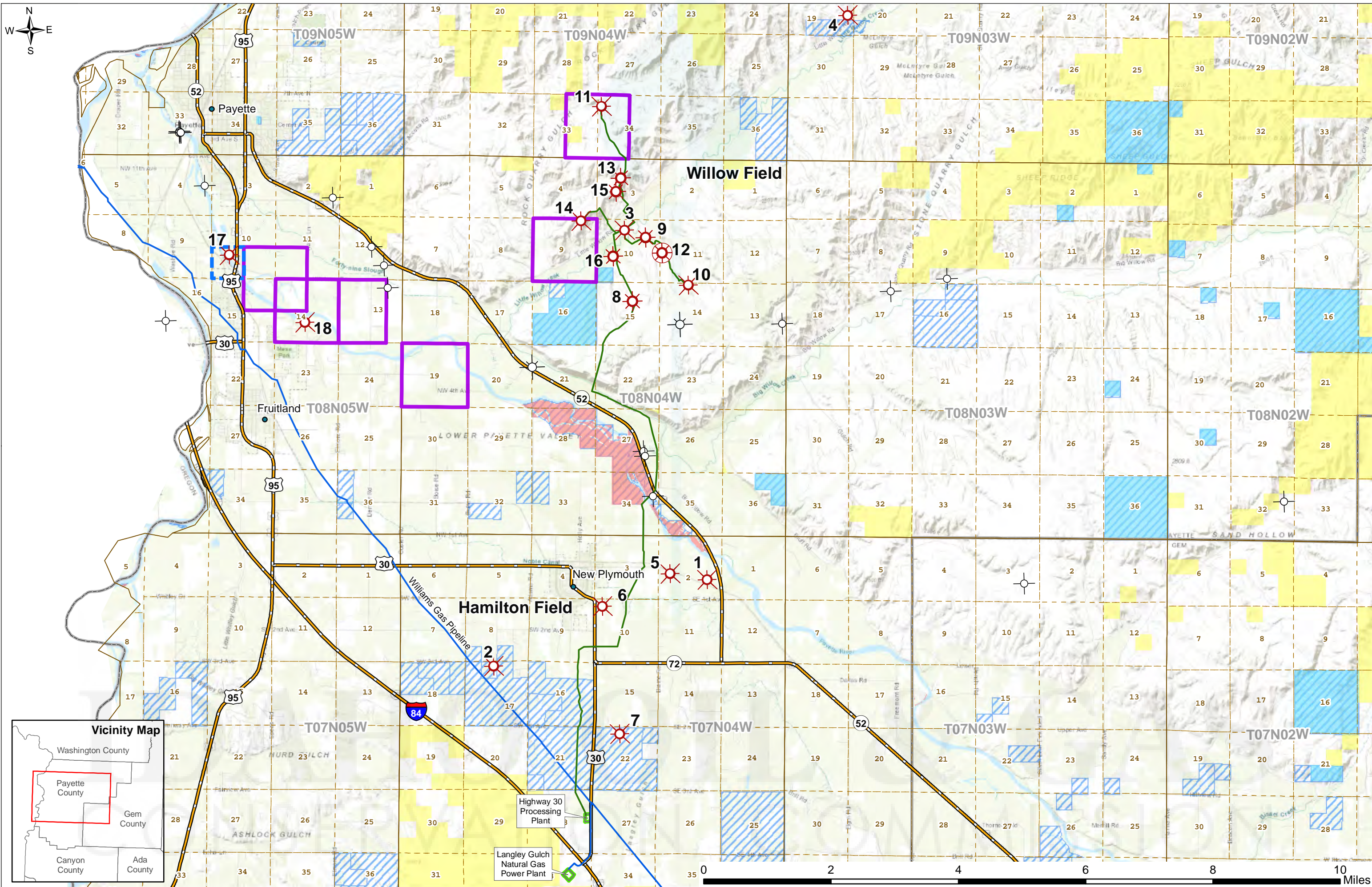
Map Notes and Data Sources

Inactive and Active Oil And Gas Wells through 8/16/2019

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.









Eastern Idaho Oil & Gas Activity Map














Legend

Active Oil and Gas Wells

-  Shut in Gas
-  Producing - Multi Zone
-  Producing
-  Permitted

Inactive Oil and Gas Wells

-  Plugged and Abandoned (P&A) Oil Show
-  Plugged and Abandoned (P&A) Gas Show
-  Plugged and Abandoned
-  APD Submitted

-  Approved Integration/Spacing Request
-  Integration/Spacing Request
- Surface Ownership**
 -  BLM
 -  IDL
-  Township
-  Section
-  Highway

No.	US Well Number	Operator	Well Name	Status
1	11-019-20011	CPC Mineral, LLC	CPC Minerals LLC #17-1	Plugged and Abandoned
2	11-019-20014	CPC Mineral, LLC	Federal #20-3	Plugged and Abandoned
3	11-019-20015	CPC Mineral, LLC	Bell #17-2	Plugged and Abandoned

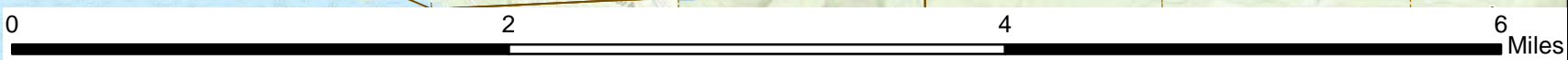
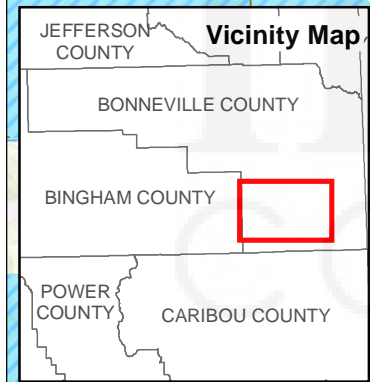
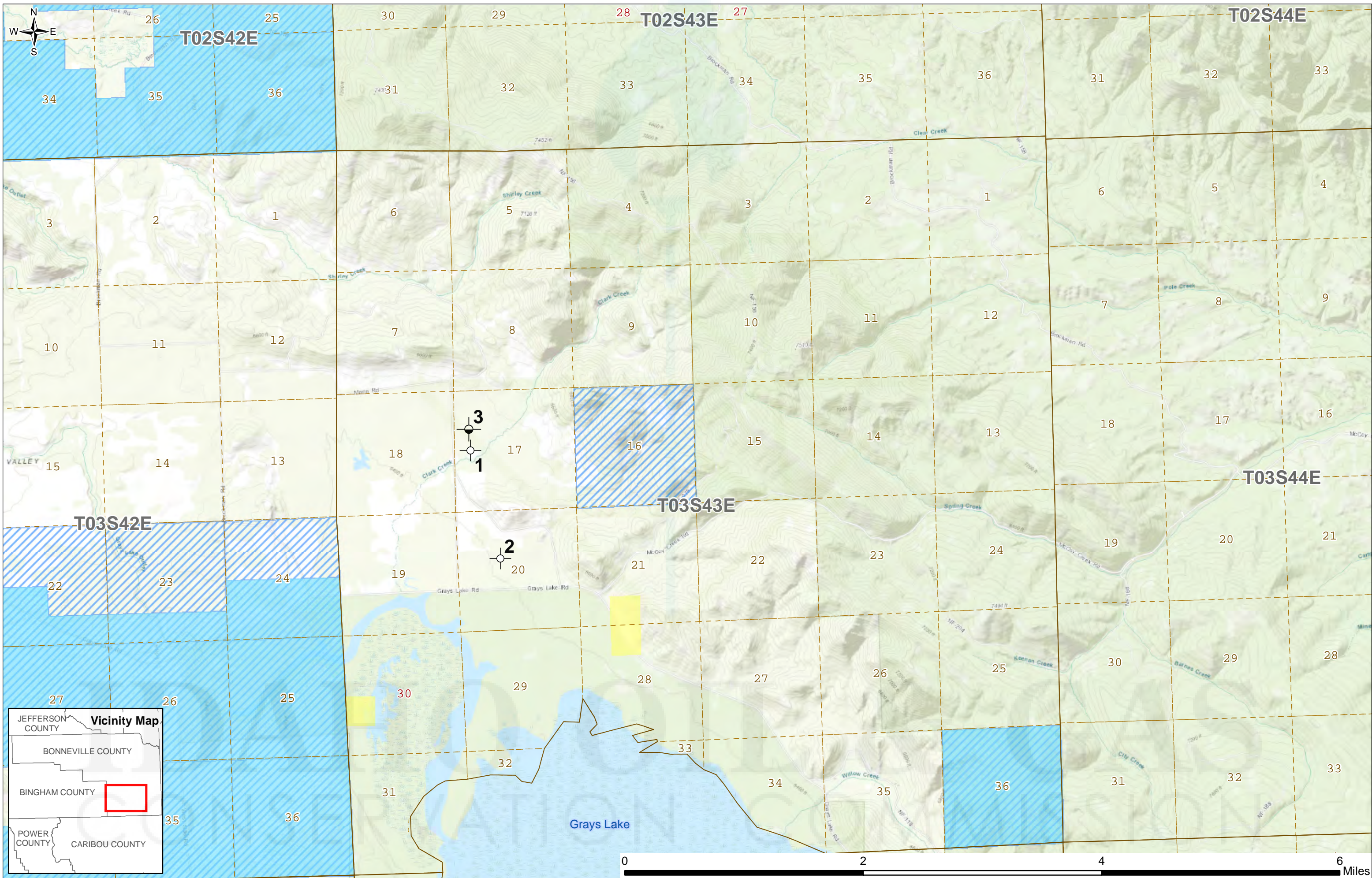
Map Notes and Data Sources

Inactive and Active Oil And Gas Wells through 8/16/2019

Data Sources: Idaho Department of Lands and Idaho Geological Survey

Disclaimer:

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Item 1C - Status Update

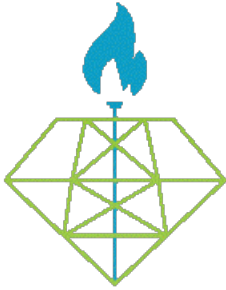
i. Class II Injection Well – Permit Status:

On March 11, 2019, the Environmental Protection Agency (EPA) delivered a request to AM Idaho for a reformatted/recompleted aquifer exemption application, stating that EPA could not move forward with a review until receiving the information.

On May 15, 2019, the EPA sent a second notice to the company regarding the technical deficiency of the permit application and mentioned that EPA was still waiting on the aquifer exemption application resubmission. AM Idaho submitted an updated application package on June 21, 2019. The EPA began the evaluation of the application package and recommended that AM Idaho submit an exemption request by July 5, 2019, to provide EPA with sufficient time to weigh the merits of the request prior to the draft permit decision. This July 5, 2019 deadline passed and no exemption request has been received by the EPA as of Monday, August 26.

Because the aquifer exemption package has not been received, the application review timeline has been delayed and approval of the application is on hold. When/if the aquifer exemption package is received; it will be reviewed for adequacy, and then used to continue a review the overall Class II application package.

The EPA will provide a status update to both Idaho Department of Water Resources and Idaho Department of Environmental Quality. On Monday, August 26, the Idaho Department of Lands Oil and Gas Division recommended to the EPA that they establish a deadline for AM Idaho regarding the aquifer exemption package submittal.



IDAHO OIL AND GAS CONSERVATION COMMISSION

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

Mick Thomas, Secretary to the Commission

Draft Minutes

Idaho Oil and Gas Conservation Commission Regular Meeting
May 29, 2019

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, May 29, 2019, at the State Capitol, House Hearing Room (EW42), Lower Level, East Wing, 700 W Jefferson St., Boise, Idaho. The meeting began at 1:01 p.m. Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Marc Shigeta
Commissioner Jim Classen
Commissioner Renee Love
Commissioner Dustin T. Miller

For the record, all five Commission members were present.

• **ANNOUNCEMENTS**

Chairman Coppersmith stated that there would be public comment accepted. Chairman Coppersmith went over the order of the agenda items.

Secretary Thomas announced that the information needed for agenda item seven was not received in time for this meeting and suggested that it be removed from the agenda. He stated that the information will be presented to the Commission as soon as it was available. Commissioner Classen made a motion that agenda item seven be removed from the agenda. Vice Chairman Shigeta seconded the motion. The motion was restated later in the meeting and the motion carried on a vote of 5-0.

1. Division Administrator's Report

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

Chairman Coppersmith inquired about the confidential status of the Fallon #1-11 well. Secretary Thomas explained that until the well is drilled, it maintains confidential status. Once the well is drilled the information is confidential for six months.

- C. Status Update
 - i. Class II Injection Well – Permit Status
 - ii. Oil and Gas Royalty Audit

Commissioner Classen asked for clarification on the auditing company providing the production numbers. Program Manager James Thum explained that High Mesa Holdings is auditing Alta Mesa and they have Opportune looking at the production records who is then giving that data to the state.

- **CONSENT – ACTION ITEM(S)**

2. **Approval of Minutes** – April 23, 2019 - Regular Meeting (Boise)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Commissioner Miller that the Commission approve the April 23rd meeting minutes on the Consent Agenda. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 5-0.

3. **Approval of Minutes** – May 8, 2019 - Special Meeting (Boise)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Commissioner Miller that the Commission approve the May 8th special meeting minutes on the Consent Agenda. Vice Chairman Shigeta 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**

4. **Robert's Rules of Order**

5. **Ethics in Government – Presentation** – Brian Kane, Assistant Chief Deputy, Attorney General's Office

6. **Operator Records Examined/Allocation Investigation** – Presented by Dave Schwarz – Field Inspector, Oil and Gas

- **REGULAR – ACTION ITEM(S)**

None

- **EXECUTIVE SESSION**

None

Chairman Coppersmith opened the floor for public comment. Julia Page from the Idaho Organization of Resource Councils gave public comment.

There being no further business before the Commission, at 2:34 p.m. a motion to adjourn was made by Commissioner Classen. Commissioner Love seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.

IDAHO OIL AND GAS CONSERVATION COMMISSION

August 29, 2019

Regular Agenda

SUBJECT

Election of Chairman and Vice Chairman

BACKGROUND

As per Idaho Code § 47-314(3):

“The commission shall annually elect a chairman and a vice chairman from their membership. Such officers shall hold their respective offices until their successors are elected. If a vacancy occurs in either office, the commission shall elect a member to fill such office for the remainder of the term.”

DISCUSSION

At the April 23, 2019 Idaho Oil and Gas Conservation Commission (Commission) meeting, the Commission elected Betty Coppersmith as Interim Chair due to the previous Chair resigning from the Commission. The Commission also voted to keep Marc Shigeta as Vice Chairman.

As per Idaho Code § 47-314(3), the Commission shall elect a member annually to serve as Chair and Vice Chair. The Interim term ends this month. The elected Chair and Vice Chair will serve in their respective positions until August of 2020.

RECOMMENDATION

Direct the Commission to elect a Chairman and Vice Chairman.

COMMISSION ACTION

IDAHO OIL & GAS
CONSERVATION COMMISSION

IDAHO OIL AND GAS CONSERVATION COMMISSION
August 29, 2019
Information Agenda

SUBJECT

Overview of the Commission's Role in Applications

BACKGROUND

This presentation will give an overview of the Oil and Gas Conservation Commission's (Commission) role when an application is received, including the procedures the Idaho Department of Lands (Department) and the Commission must follow and what communications are appropriate.

DISCUSSION

This will be an informational presentation explaining the Commission's role when following these procedures.

ATTACHMENTS

1. Idaho Code § 47-328
2. Appeal Process Flowchart for Idaho Code § 47-328

IDAHO OIL & GAS
CONSERVATION COMMISSION



Idaho Statutes

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

TITLE 47
MINES AND MINING
CHAPTER 3

OIL AND GAS WELLS – GEOLOGIC INFORMATION, AND PREVENTION OF
WASTE

47-328. RULES FOR COMMISSION – ADMINISTRATIVE PROCEDURES. (1) The commission shall have authority to hear rulemaking proceedings, complaints filed with it pursuant to this chapter and appeals from the oil and gas administrator's decision on an application filed pursuant to this chapter, and any other matter the commission decides should be heard by the commission. The commission may act on its own motion. The commission may prescribe rules governing the procedure before it, subject to the provisions of the administrative procedure act, chapter 52, title 67, Idaho Code. Provided however, that no rulemaking except for that done under section 67-5226, Idaho Code, may be conducted for twelve (12) months beginning on July 1, 2017.

(2) In all cases where a complaint is made by the commission or any person that any provision of this act or any rule or order of the commission is being violated, the commission shall serve notice of any hearing to be held on such application or complaint to the interested persons by certified mail, return receipt requested, or in the same manner as is provided in the rules of civil procedure for the service of summons in civil actions. Where the interested person is unknown or cannot be located, the commission shall serve notice by publishing at least one (1) notice of the hearing to such person in a newspaper of general circulation in the county where the affected tract is located. Such notice must be sent, delivered or published, as appropriate, at least five (5) business days before the date of the hearing.

(3) Except as provided in section 47-316(1)(a), Idaho Code, and subsection (2) of this section, any request for an order related to oil and gas activities within the commission's jurisdiction, other than a civil penalty proceeding pursuant to section 47-329, Idaho Code, or other enforcement action by the department of lands or the commission, shall be made by application to the department of lands and processed as provided in this section.

(a) The department shall notify the applicant within five (5) business days of receipt of an application if additional information is required for the department to evaluate the application.

(b) For applications involving an order regarding unit operations or integration of a drilling unit, the applicant

shall send a copy of the application and supporting documents to all known and located uncommitted owners, to all working interest owners within the unit, and to the respective city or county where the proposed unit is located. The mailing shall be sent by certified mail within seven (7) calendar days of filing the application and include notice of the hearing date on which the oil and gas administrator will consider the application. For any uncommitted owners and working interest owners who cannot be located, an applicant shall publish notice of any application for an order, notice of hearing and response deadline once in a newspaper of general circulation in the county in which the affected property is located and request the department publish notice on its website within seven (7) calendar days of filing of the application. Only an uncommitted owner in the affected unit may file an objection or other response to the application, and the uncommitted owner shall file at least fourteen (14) calendar days before the hearing date provided in the notice.

(c) For applications not involving paragraph (b) of this subsection, the department and any uncommitted owner within the area defined in the application may file objections or other responses to the application and shall file at least fourteen (14) calendar days before the hearing date provided in the notice.

(d) The oil and gas administrator shall hear the application and make a decision on the application's merits. The oil and gas administrator shall set regular hearing dates. Applications shall be filed at least forty-five (45) calendar days before a desired hearing date. Untimely applications shall be continued until the next hearing. The oil and gas administrator may for good cause continue any hearing. The oil and gas administrator may appoint a hearing officer, who shall have the power and authority to conduct hearings. Discovery is not permitted. The department may appear and testify at the hearing. When applications are uncontested, the applicant may request, and the oil and gas administrator may allow, approval without a hearing based on review of the merits of a verified application and the supporting exhibits.

(e) The oil and gas administrator shall issue a written decision on any such application within thirty (30) calendar days of the hearing. The oil and gas administrator's decision shall not be subject to any motion for reconsideration or further review, except for appeal to the commission provided in subsection (4) of this section.

(4) The oil and gas administrator's decision on an application or a request for an order may be appealed to the commission by the applicant or any owner who filed an objection or other response to the application within the time required. An appeal must be filed with the oil and gas administrator within fourteen (14) calendar days of the date

of issuance of the oil and gas administrator's written decision. The date of issuance shall be three (3) calendar days after the oil and gas administrator deposits the decision in the U.S. mail, or the date on which he remits a decision electronically. Such appeal shall include the reasons and authority for the appeal and shall identify any facts in the record supporting the appeal. Any person appealing shall serve a copy of the appeal materials on any other person who participated in the proceedings, by certified mail, or by personal service. Any person who participated in the proceeding may file a response to the appeal within five (5) business days of service of a copy of the appeal materials. The appellant shall provide the oil and gas administrator with proof of service of the appeal materials on other persons as required in this section. The commission shall make a decision based on the record as set forth in the written submittals of only the appellant and any other participating qualified person, the oil and gas administrator's decision, and any oral argument taken by the commission at an appeal hearing.

(5) Appeals to the commission shall be heard at the next regularly scheduled commission hearing, or at a special meeting of the commission if determined by the commission. In no case will a hearing be later than thirty (30) calendar days after the filing of an appeal. The commission may take argument from, but not new testimony of, the appellant and other qualified participating persons at the hearing. The commission shall make a decision on the appeal at the hearing and issue a written order within five (5) business days of the hearing. The prevailing party shall draft a proposed written order and submit it within two (2) business days. The final order of the commission shall not be subject to any motion for reconsideration.

(6) If no appeal is filed with the commission within the required time, the decision of the oil and gas administrator shall become the final order.

(7) Judicial review of actions taken by the commission shall be governed by the provisions of chapter 52, title 67, Idaho Code.

(8) For an application or request for an order submitted under subsection (3) of this section, only a person qualified under subsection (4) of this section who has completed the appeal procedures set forth in this section shall be considered to have exhausted administrative remedies as required in section 67-5271, Idaho Code.

(9) Each order shall include a reasoned statement in support of the decision, including a concise statement of facts supporting any findings, a statement of available procedures and time limits for appeals. Findings must be based exclusively on materials in the record. The applicant and any participating qualified person shall be served with a copy of the order. The order shall include or be accompanied by a certificate of service.

(10) Every application shall be signed by the applicant or his representative, and his address shall be stated thereon. The signature of the applicant or his representative constitutes a certificate by him that he has read the application and that to the best of his knowledge, information and belief there is good ground to support the same. Each application shall be of such form and content and accompanied by the number of copies required by rule of the commission. Each application shall be accompanied by a fee as established in statute or rule.

History:

[(47-328) 47-324, added 1963, ch. 148, sec. 10, p. 433; am. 1974, ch. 17, sec. 33, p. 308; am. 1981, ch. 247, sec. 1, p. 495; am. 1993, ch. 216, sec. 42, p. 625; am. 2016, ch. 48, sec. 7, p. 141; am. 2017, ch. 121, sec. 3, p. 284; am. and redesig. 2017, ch. 271, sec. 21, p. 699; am. 2018, ch. 169, sec. 13, p. 361.]

How current is this law?

Search the Idaho Statutes and Constitution



IDAHO OIL & GAS
CONSERVATION COMMISSION

Idaho Code § 47-328

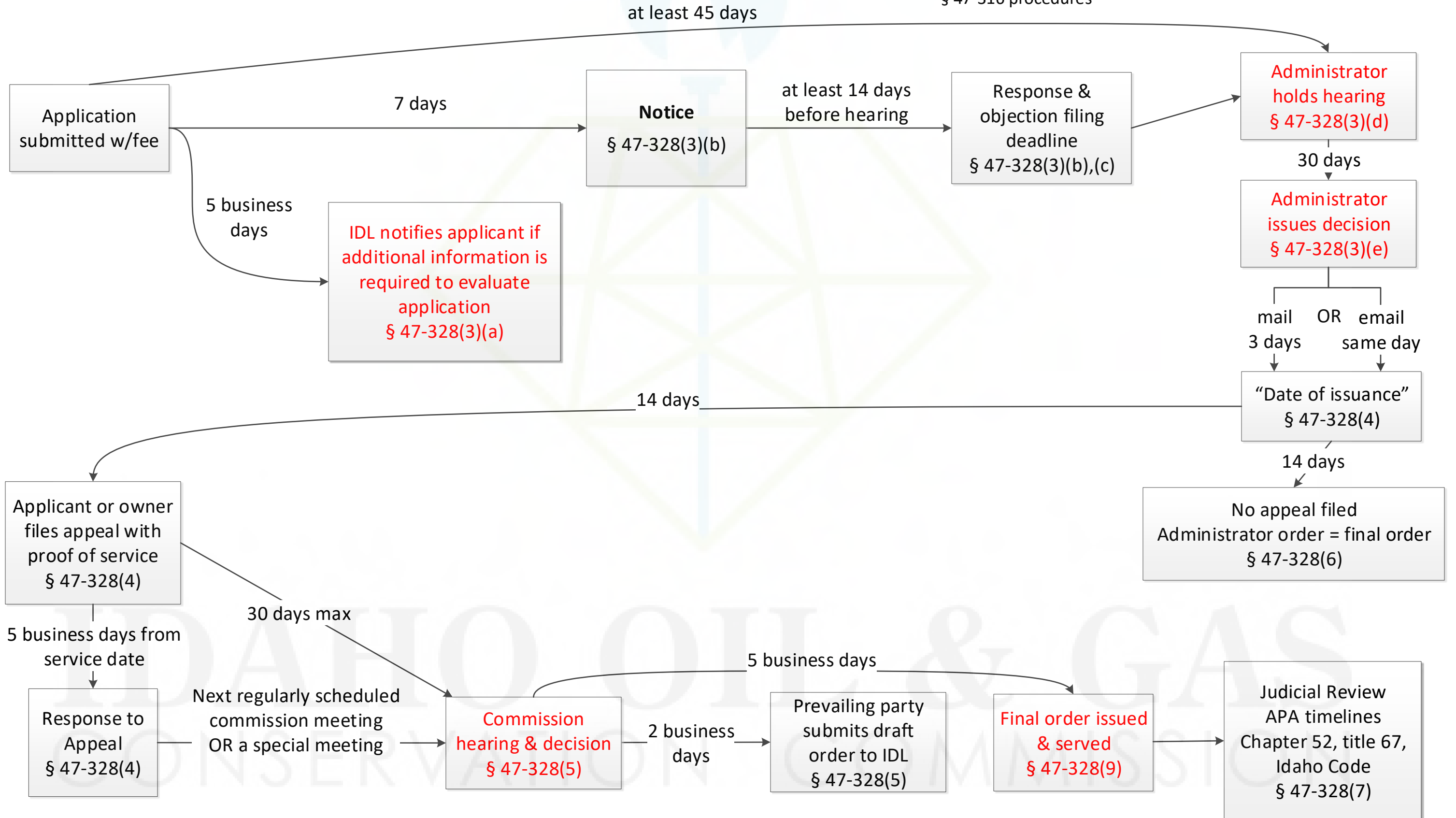
Application types:

- Integration
- Unitization
- Spacing
- Exceptional Location
- Applications not using § 47-316 procedures

August 2019

Application Decision

Appeal



IDAHO OIL AND GAS CONSERVATION COMMISSION
August 29, 2019
Information Agenda

SUBJECT

Update on the ongoing Allocation Investigation for hydrocarbons from wells in Payette County operated by Alta Mesa Services.

BACKGROUND

In 2018, the Oil and Gas Conservation Commission (Commission) noted discrepancies in reported volumes for Residue Gas and Plant Condensate. Alta Mesa was informed of the discrepancies. They discovered a systematic error in an equation used in some steps of the allocation process. The error affected the volumes of Plant Condensate allocated to the gas and liquid streams leaving the Little Willow Gathering Facility and entering the Highway 30 Gas Processing Plant. Allocations of Natural Gas Plant Liquids were not affected by the error. The error was a mismatched stream analysis reference within an equation.

- The incorrect reference applied the equivalent liquid volume percentage of each individual hydrocarbon component derived from each individual laboratory analysis.
- The correct reference applied the molecular percentage of each individual hydrocarbon component derived from each individual laboratory analysis.

The Idaho Department of Lands (Department) reviewed the various datasets and presented results as an information item during the May 29, 2019 Commission meeting. The corrected allocation results have reasonable differences of plus or minus five percent (5%) by well completion to the old allocation results. The exception is the Kauffman 1-9 LT, which shows a 28 percent (28%) difference in Plant Condensate. The variances in percent differences, including Kauffman 1-9 LT, are presumed to be related to the allocation error summarized above.

DISCUSSION

The Kauffman 1-9 LT reallocation percent difference for Plant Condensate was greater than for other wells. The total reallocation volumes show that the well completion gained 1,769 barrels (BBLs) of Plant Condensate, and lost 2,541 million British thermal units (MMBtu) of Residue Gas. The Department analyzed the allocation datasets from 2016 and 2018 (there was no production in 2015 or 2017).

In 2016, the Kauffman 1-9 LT produced Rich Gas and Crude Oil. The Crude Oil was not processed through the Little Willow Gathering Facility nor the Highway 30 Gas Processing Plant. Therefore, the reallocation resulted did not change Crude Oil volumes, which were trucked to a transloading facility in Ontario, Oregon, and then railed to a refinery north of Salt Lake City, Utah.

The 2016 Rich Gas was processed through the Little Willow Gathering Facility and the Highway 30 Gas Processing Plant. Therefore, the allocation error did affect the volumes of Plant Condensate allocated to the gas and liquid streams leaving the Little Willow Facility. The reallocated Rich Gas volume resulted in 115 additional BBL of Plant Condensate that came solely from the Rich Gas processed only through the Little Willow Gathering Facility

In 2018, the Kauffman 1-9 LT produced Rich Gas for six months and Well Condensate for five months. The Department does not have in its possession any Kauffman 1-9 LT laboratory analyses on Rich Gas or Well Condensate for 2018. How then were allocations performed? We can only guess that Alta Mesa used the analyses available from 2016 for Rich Gas and Crude Oil as proxies for 2018 Rich Gas and Well Condensate. If correct, then using the 2016 analyses as proxies for 2018 could skew the reallocation results. This guess seems reasonable because, in 2016, Crude Oil components had larger discrepancies between molecular percentages and equivalent liquid volume percentages for the Kauffman 1-9 LT.

GLOSSARY

Allocation is a term used to describe the system by which ownership of oil, gas, and produced water is determined and tracked from the point of production to a point of sale or discharge. Allocation is also known as hydrocarbon accounting, hydrocarbon value realization, product measurement and allocation, and production management and reporting. Although the principles of allocation are straightforward, the details are highly complex.

Crude Oil means a mixture of raw liquid hydrocarbon components, the majority of which range from the pentanes and heavier hydrocarbon components recovered after the wellhead by gravity separation or a similar process, and is liquid at the conditions under which its volume is measured or estimated. Crude Oil includes Well Condensate, but does not include Plant Condensate. There is no scientifically-defined demarcation between crude oil and well condensate. Crude oil is normally less than 40 degrees of API gravity. Crude Oil volumes are measured in barrels (BBL, which is 42 gallons). Typically, the volume of Crude Oil produced from individual wells is stored as inventory in a tank battery before sale or disposition from a facility. The battery may be a single tank or group of tanks. The total monthly volume delivered out of a facility battery must be measured for disposition, either: manually, which produces an individual receipt per disposition event, with receipts totaled for the month; or by a lease automatic custody transfer meter, which totalizes dispositions for the month.

Highway 30 Gas Processing Plant means an industrial process plant that takes in Rich Gas, and typically removes water, CO₂, sulfur, and other contaminants, and then separates methane and ethane from the other NGLs by using powerful compressors and chillers that cool the Rich Gas to cryogenic temperatures (approx. -120°F). The methane, and some or most of the ethane are combined to make Residue Gas with a heat content range within pipeline specifications. Extracted NGLs are then sold at prices higher than those they would receive if marketed at their natural gas heat value. The mixed stream of Y-Grade NGLs are then transported to a Fractionator for separation into purity products, because the Y-Grade NGL stream itself has no commercial value. The Highway 30 Gas Processing Plant also takes in Well Condensate, which must be processed to remove enough of the lighter components to meet highway or rail shipment standards for volatility. Once “stabilized,” the Well Condensate is called Plant Condensate.

Little Willow Gathering Facility means an industrial process plant that: receives gathering lines from wells; uses gravity methods to separate well fluids into liquid hydrocarbons, gaseous hydrocarbons, and produced water; commingles these three separated streams; separately processes the commingled liquid and gaseous hydrocarbon streams; and then sends the two separate hydrocarbon streams to a gas processing plant.

Natural Gas Plant Liquids means hydrocarbon compounds in Rich Gas that are extracted as liquids at processing plants, gas processing plants, gas plants, gasoline processing plants, fractionating plants, cryogenic plants, and cycling plants. Natural Gas Plant Liquids may include ethane, propane, the butanes, the pentanes, and hydrocarbon compounds of higher molecular weight. Hydrocarbon components may be fractionated and sold as an individual hydrocarbon (such as propane), or mixed together (referred to as Y-grade or raw mix) and sold, depending on the purchaser's sales agreement.

Plant Condensate is also referred to as stabilized condensate and means the processed liquid hydrocarbon product from a processing plant. The processing decreases the quantity of methane and ethane, which reduces the vapor pressure of the liquid, thereby preventing the production of vapor phase upon flashing the liquid, which ensures safe storage in atmospheric transportation and storage tanks.

Residue Gas is also referred to as tailgate gas, burner gas, or pipeline-quality natural gas and means 87.0 - 97.0 molecular percentage of methane that is merchantable and marketable, and meets an interstate or intrastate transmission company's minimum specifications per American Gas Association Bulletin No. 36.

Rich Gas means all hydrocarbon compounds and gaseous substances in a raw, unprocessed liquids-rich gas (minus formation water) that is gaseous at the conditions under which its volume is measured or estimated. Rich Gas is typically recovered from the wellhead or at the surface by use of a gravity separator or similar equipment. Rich Gas typically consists mostly of methane, ethane, propane, the butanes, and minor amounts of the pentanes plus hydrocarbon compounds of higher molecular weight.

Well Condensate means undifferentiated crude oil or condensate as a mixture of raw liquid hydrocarbon components, the majority of which range from pentanes and hydrocarbon compounds of higher molecular weight recovered after the wellhead by gravity separation or a similar process, and is liquid at the conditions under which its volume is measured or estimated. Well Condensate (also called lease condensate) can be derived directly after the wellhead with no separation (historically called casinghead gasoline). Well Condensate is typically unstable for truck transport and must be processed at a specialized facility to remove specific hydrocarbon compounds or various impurities; it is then referred to as Plant Condensate.

ATTACHMENTS

1. PowerPoint – "Allocation Investigation"

ALLOCATION INVESTIGATION



August 29, 2019

DAVE SCHWARZ

OIL & GAS FIELD INSPECTOR

IDAHO DEPARTMENT OF LANDS

ATTACHMENT 1

In 2018, OGCC noted discrepancies in reported volumes of Residue Gas & Plant Condensate

- Alta Mesa then discovered a systematic error in one equation used in some steps of the allocation process
- Equation scales volumes of Plant Condensate allocated to gas & liquid streams leaving Little Willow Gathering Facility & entering Hwy 30 Gas Processing Plant
- Allocations of Natural Gas Plant Liquids not affected by error

The Allocation Error = Mismatched Stream Analysis Reference of Components From Lab Analyses

Incorrect Allocation: applied equiv. Liq. Vol. %

<u>Components</u>	<u>Mole %</u>	<u>Weight %</u>	<u>Liq. Vol. %</u>
Carbon Dioxide.....	0.0853	0.1450	0.0687
Nitrogen.....	0.0281	0.0304	0.0146
Methane.....	64.2964	39.8359	51.4398

Correct Allocation: applied Mole %

Kauffman 1-9 LT Reallocation (no production 2015 or 2017)

GAINED 1,769 BBLs of Plant Condensate: % Difference > Other Wells

LOST 2,541 MMBtu of Residue Gas

2016: Produced Rich Gas and Crude Oil

Crude Oil not processed thru Little Willow Gathering Facility or Hwy 30 Gas Processing Plant

Crude Oil trucked then railed to refinery

Rich Gas Reallocated + 115 BBL of Plant Condensate solely from Rich Gas stream

IDAHO OIL & GAS
CONSERVATION COMMISSION

Kauffman 1-9 LT 2018: Produced Rich Gas and Well Condensate

- Well Condensate is more volatile than Crude Oil => must be processed for truck transport
- Produced for 6 months. 1 month only produced Rich Gas (Oct)
- No laboratory analyses on Rich Gas or Well Condensate for 2018

Then how were allocations performed?

Guess: used 2016 analyses for Rich Gas and Crude Oil. If correct, then these could skew results:

2016 Crude Oil components have larger discrepancies

between Mole % & Equiv Liq Vol %

QUESTIONS? THANK YOU



Kaufmann 1-34 separator, meter system, & heater-treater

IDAHO OIL AND GAS CONSERVATION COMMISSION
August 29, 2019
Information Agenda

SUBJECT

Quarterly Reports as Specified Under Idaho Code § 47-315 and § 47-324

BACKGROUND

Per Idaho Code Title 47 Chapter 3 the “department shall report quarterly to the commission on the produced volumes of oil and gas, sales volumes of oil and gas and the meeting of industry standards.” Idaho Code § 47-324(6). In addition, Idaho Code § 47-315(9) requires that the department inspect and report on active well sites and production and processing facilities with an opinion on any areas of concern identified during inspections.

DISCUSSION

A summary of oil and gas production and sales volumes for the 2nd quarter of 2019 (April-May-June) will be presented. Information regarding other activities such as inspections, recompletions and workovers, sundry notices and other applications submitted to the Idaho Department of Lands during the three-month period will be included as part of the report to the Oil and Gas Conservation Commission.

ATTACHMENTS

1. PowerPoint – “2nd Quarter 2019 Idaho Oil & Gas Activity Report”

IDAHO OIL & GAS
CONSERVATION COMMISSION

Quarterly Report to the Commission
Idaho Code § 47-315(9)
Idaho Code § 47-324(6)

2nd Quarter 2019 (April - June)



AUGUST 29, 2019

JAMES THUM

OIL & GAS PROGRAM MANAGER

IDAHO DEPARTMENT OF LANDS

ATTACHMENT 1

**TITLE 47
MINES AND MINING
CHAPTER 3
OIL AND GAS WELLS — GEOLOGIC INFORMATION, AND
PREVENTION OF WASTE**

§ 47-324(6) The department shall report quarterly to the commission on the produced volumes of oil and gas, sales volumes of oil and gas, and the meeting of industry standards.

**IDaho OIL & GAS
CONSERVATION COMMISSION**

Volumes Produced & Sold – 2nd Quarter 2019

Comparison to Previous Quarter / Previous Year

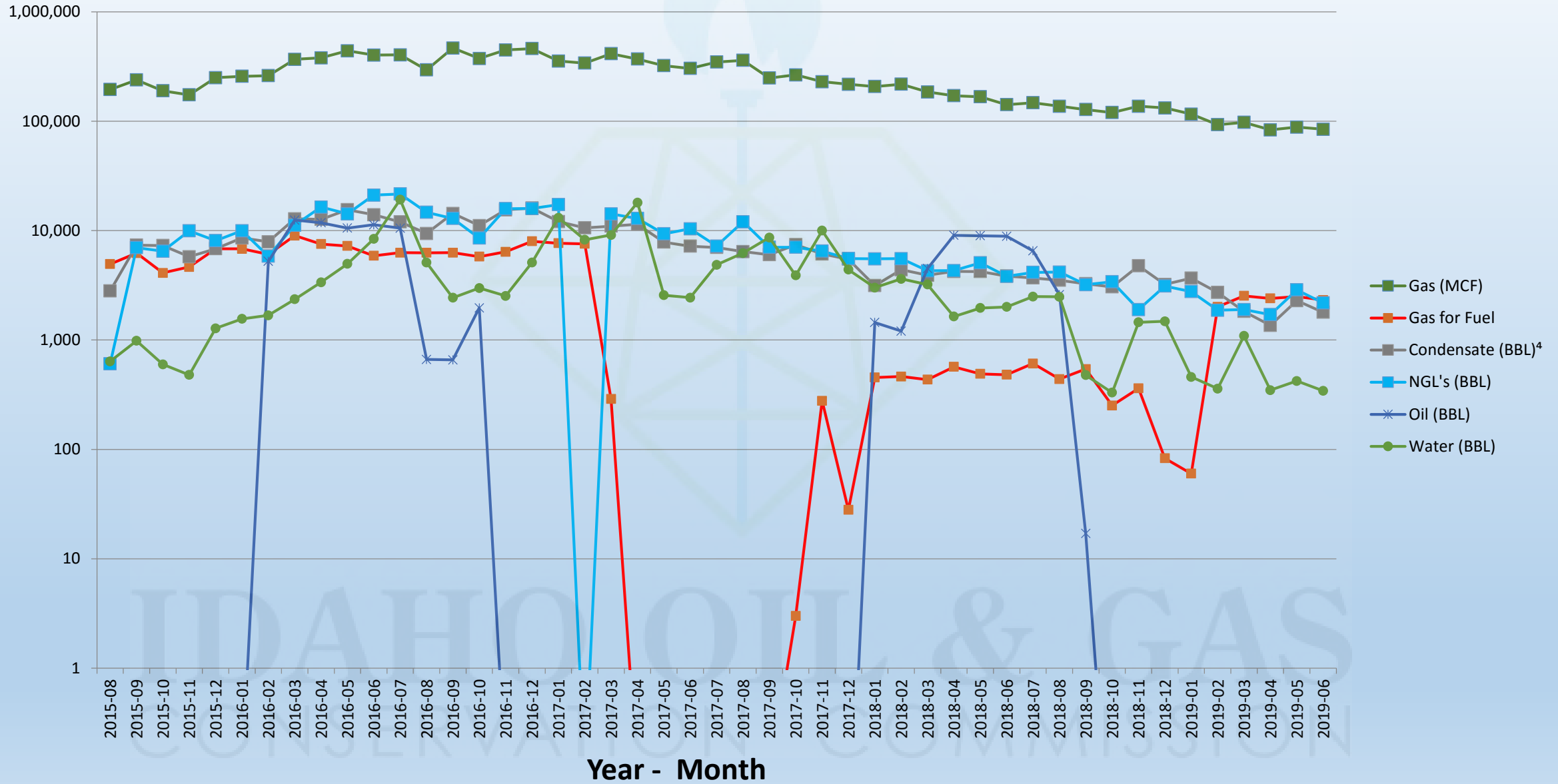
<u>Volumes Produced</u>	<u>Cum. Gas (MCF)</u>	<u>Condensate (BBL)</u>	<u>NGLs (Gallons)*</u>	<u>Cum. Oil (BBL)</u>	<u>H2O (BBL)</u>
2nd Quarter 2019	255,981	5,443	284,069	0	1,113
1st Quarter 2019	306,706	8,217	274,694	0	1,908
Increase / Decrease	-50,725	-2,774	-9,375	0	-795
% Difference	-17%	-34%	-3%	NC	-42%
vs 2nd Quarter 2018	-46%	-56%	-49%	NC	-80%
<u>Volumes Sold</u>	<u>Gas (MMBtu)</u>	<u>Condensate (BBL)</u>	<u>NGLs (Gallons)</u>	<u>Oil (BBL)</u>	
2nd Quarter 2019	270,000	**	**	0	
1st Quarter 2019	334,500	**	**	0	
Increase / Decrease	-64,500	-	-	NC	
% Difference	-19%	-	-	NC	
vs 2nd Quarter 2018	-48%	-	-		

*Denotes Plant Production from Highway 30 Facility

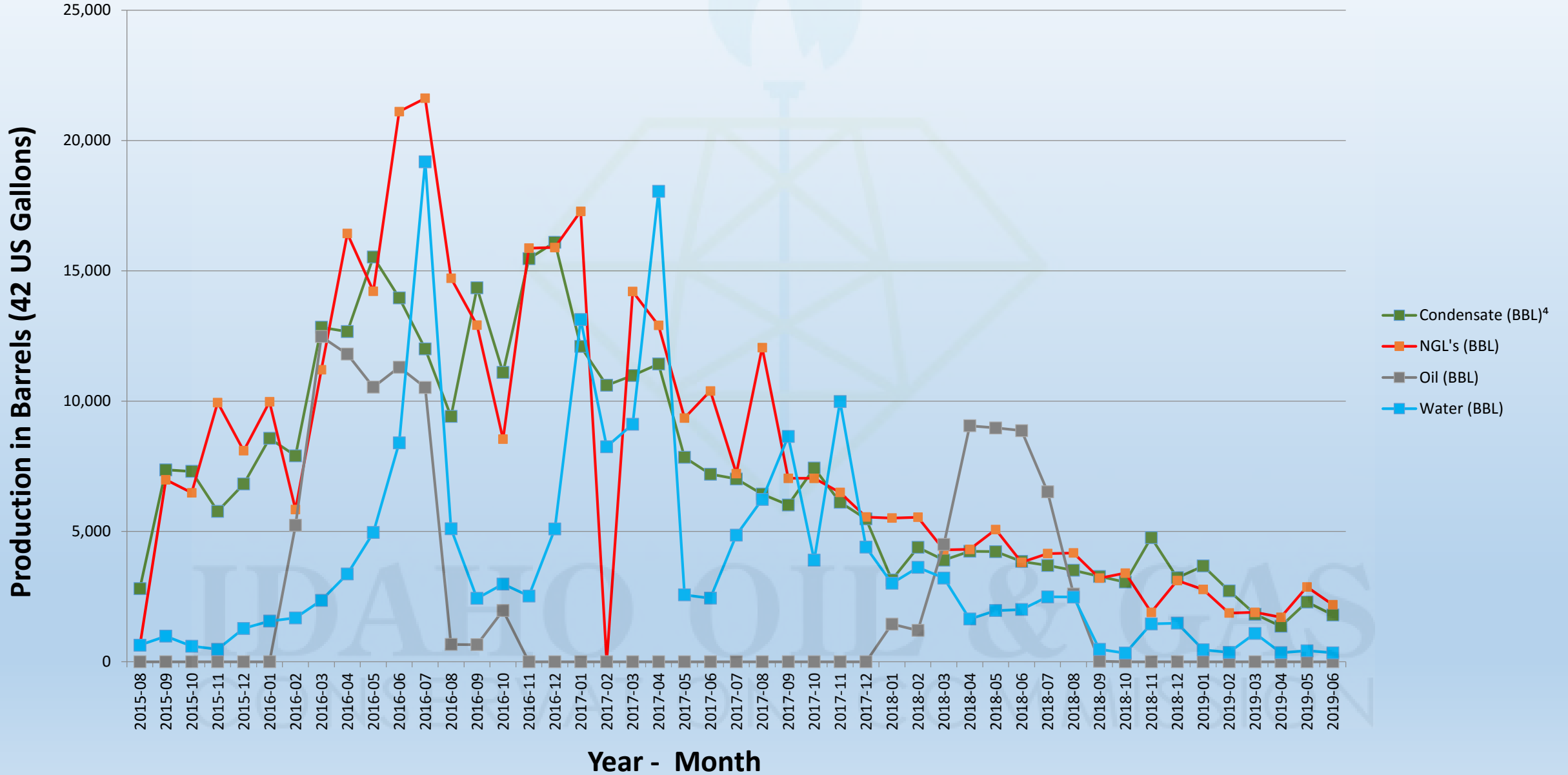
**Denotes No Liquids Purchaser Data Received

WILLOW FIELD – TOTAL PRODUCTION BY MONTH

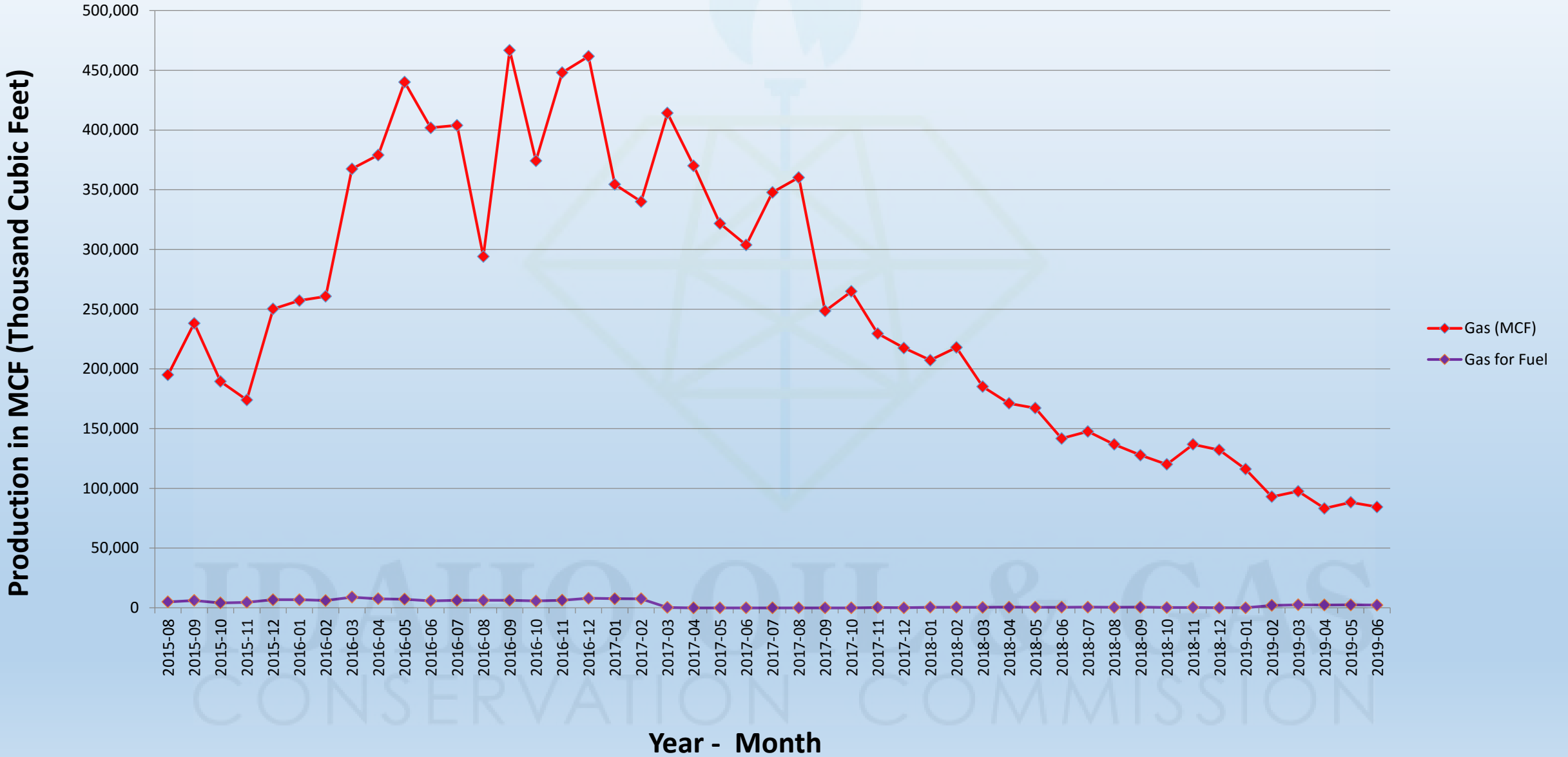
Gas Production in MCF / Liquids Production in BBLs



WILLOW FIELD – LIQUIDS PRODUCTION BY MONTH



WILLOW FIELD – GAS PRODUCTION BY MONTH



Plant – Transportation – Sold Volumes

1-Year Running Totals – January 2018 through December 2018

<u>Residue Gas (MCF)</u>			<u>Gas Sold (MMBtu)</u>	<u>Produced vs Sold (Variance)</u>	
1,732,583			2,015,653	-16%	
<u>Plant Condensate (BBL)</u>	<u>Condensate Transported</u>	<u>Produced vs Transported (Variance)</u>	<u>Condensate Sold (BBL)</u>	<u>Produced vs Sold (Variance)</u>	<u>Transported vs Sold (Variance)</u>
53,062	52,928	<1%	58,955	-11%	-11%
<u>Plant NGLs (Gallons)</u>	<u>NGLs Transported (Gallons)</u>	<u>Produced vs Transported (Variance)</u>	<u>NGLs Sold (Gallons)</u>	<u>Produced vs Sold (Variance)</u>	<u>Transported vs Sold (Variance)</u>
2,032,569	2,082,208	-2%	1,421,796	30%	32%
		Jan through July 2018		-4%	-4%
<u>Oil Produced (BBL)</u>	<u>Oil Transported (BBL)</u>	<u>Produced vs Transported (Variance)</u>	<u>Oil Sold (BBL)</u>	<u>Produced vs Sold (Variance)</u>	<u>Transported vs Sold (Variance)</u>
43,183	45,185	-4.7	36,034	16%	20%

Numbers in **RED** indicate variance in excess of 5%

Well & Permit Activity

2nd Quarter 2019

<u>Wells</u>	<u>Active Permits</u>	<u>Drilling wells</u>	<u>Producing wells</u>	<u>Comments</u>		
April	18	0	4			
May	18	0	5	ML Investments #1-3 online		
June	17	0	5	Fallon #1-11 APD expired		
<u>Other</u>	<u>Sundry Notices</u>	<u>Workovers</u>	<u>APPs Received</u>	<u>APPs Approved</u>	<u>APPs Denied</u>	
April	0	0	0	1*	0	
May	0	0	0	0	0	
June	1	0	1	1	0	

*Notice to Plug received for the ML Investments #1-10 March 2019

**TITLE 47
MINES AND MINING
CHAPTER 3
OIL AND GAS WELLS — GEOLOGIC INFORMATION, AND PREVENTION OF
WASTE**

§ 47-315(9) The commission shall require the department to perform the following activities on an annual basis:

- (a) Inspect and report on all active well sites and equipment;**
- (b) Visit and file a report on production and processing facilities; and**
- (c) Submit an opinion as to any areas of concern, as identified on inspection reports.**

Note: IDAPA 20.07.02.430.05 requires the Department to conduct quarterly facility inspections.

Inspection Activity – 2nd Quarter 2019

- **No Well Inspections**
 - **No Gas Facility Inspections**
 - **No Citations Issued**
-
- **2019 Totals Through 2nd Quarter:**
 - **1 Well Inspection**
 - **0 Facilities Inspections**



Questions, Comments & Suggestions?



Thank You
Next Quarterly Report – November 2019