

IDAHO OIL AND GAS CONSERVATION COMMISSION OPEN MEETING CHECKLIST

FOR MEETING DATE: November 13, 2019

**Regular Meetings**

10/28/19 11/7/19*	Notice of Meeting posted in prominent place in IDL’s Boise Headquarters office five (5) calendar days before meeting.
10/28/19 11/7/19*	Notice of Meeting posted in prominent place in IDL’s Coeur d’Alene Headquarters office five (5) calendar days before meeting.
10/28/19 11/7/19*	Notice of Meeting posted in prominent place at meeting location five (5) calendar days before meeting.
10/28/19 11/7/19*	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) calendar days before meeting.
10/28/19 11/7/19*	Notice of Meeting posted electronically on the OGCC public website <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> five (5) calendar days before meeting.
11/7/19	Agenda posted in prominent place in IDL’s Boise Headquarters office forty-eight (48) hours before meeting.
11/7/19	Agenda posted in prominent place in IDL’s Coeur d’Alene Headquarters office forty-eight (48) hours before meeting.
11/7/19	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
11/7/19	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
11/7/19	Agenda posted electronically on the OGCC public website <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> 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"> <li>• Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA</li> <li>• 2<sup>nd</sup> Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA</li> </ul>

\*Revised notice was posted to update the link provided for viewing the meeting via live-stream

**Special Meetings**

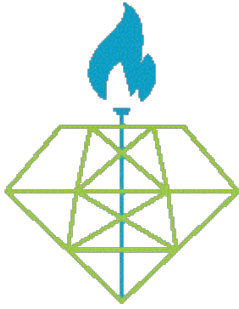
	Notice of Meeting and Agenda posted in a prominent place in IDL’s Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in a prominent place in IDL’s Coeur d’Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda 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 <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> 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 <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> 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

11/7/19  
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 NOVEMBER 2019

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on **Wednesday, November 13, 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 <https://idahoptv.org/shows/idahoinsession/>

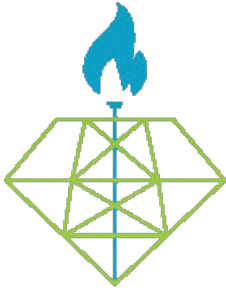
IDAHO OIL & GAS  
CONSERVATION COMMISSION

First Notice Posted: 10/28/2019-IDL Boise; 10/28/2019-IDL CDA  
Second Notice Posted (updated link): 11/7/2019-IDL Boise; 11/7/2019-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

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Final Agenda

Idaho Oil and Gas Conservation Commission Regular Meeting  
November 13, 2019 – 1:00 PM (MT)

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

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***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
  - ii. Docket No. CC-2017-OGR- 01-002 – Kauffman Complaint

- **CONSENT – ACTION ITEM(S)**

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

- 3. **Approval of Minutes** – September 25, 2019 – Special Meeting (Boise)

- **INFORMATION**

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

- 5. **Plant Reports** – *Presented by Mick Thomas, Division Administrator – Oil and Gas*

- 6. **Discussion on Commission's Role in Applications**

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Idaho Oil and Gas Conservation Commission  
Final Agenda  
Regular Meeting (Boise) – November 13, 2019  
Page 1 of 2

- **REGULAR – ACTION ITEM(S)**

None

- **EXECUTIVE SESSION**

None



# IDAHO OIL & GAS CONSERVATION COMMISSION





# Idaho Statutes

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

TITLE 74  
TRANSPARENT AND ETHICAL GOVERNMENT  
CHAPTER 2  
OPEN MEETINGS LAW

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

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

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

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

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

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

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

History:

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

How current is this law?

**Search the Idaho Statutes and Constitution**

IDAHO OIL & GAS  
CONSERVATION COMMISSION

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

		Current Month	Year-to-Date
<b>Beginning Cash Balance 7/1/2019</b>	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
<b>Total</b>		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
<b>Ending Cash Balance 06/30/2020</b>		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**

PCA 55000 Expenses	Appropriation	Current Month	Year-to-Date	Balance
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
<b>Total</b>	502,205.00	35,467.10	35,467.10	466,737.90

**Dedicated Fund Regulatory Program Expenditures Report**

**Expenditures from Dedicated Fund FY20**

PCA 55070 Expenses	Appropriation	Current Month	Year-to-Date	Balance
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
<b>Total</b>	172,343.00	7,012.44	7,012.44	165,330.56

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

		Current Month	Year-to-Date
<b>Beginning Cash Balance 7/1/2019</b>	253,393.68		
Permits		0.00	2,600.00
*Severance Tax		3,772.90	8,834.72
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
<b>Total</b>		<u>3,772.90</u>	<u>11,434.72</u>
Personnel Expenditures		<b>(6,696.25)</b>	<b>(13,655.81)</b>
Operating Expenditures		<b>(5,169.99)</b>	<b>(5,222.87)</b>
P-Card Liability to be paid		0.00	0.00
<b>Ending Cash Balance 06/30/2020</b>			<u><u>245,949.72</u></u>

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

**General Fund Regulatory Program Expenditures Report**

**Expenditures from General Fund FY20**

	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55000 Expenses</b>				
PC	400,005.00	30,560.02	61,025.41	338,979.59
OE	102,200.00	22,851.66	27,853.37	74,346.63
CO	0.00	0.00	0.00	0.00
<b>Total</b>	<u>502,205.00</u>	<u>53,411.68</u>	<u>88,878.78</u>	<u>413,326.22</u>

**Dedicated Fund Regulatory Program Expenditures Report**

**Expenditures from Dedicated Fund FY20**

	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55070 Expenses</b>				
PC	87,343.00	6,696.25	13,655.81	73,687.19
OE	85,000.00	5,169.99	5,222.87	79,777.13
CO	0.00	0.00	0.00	0.00
<b>Total</b>	<u>172,343.00</u>	<u>11,866.24</u>	<u>18,878.68</u>	<u>153,464.32</u>

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

		Current Month	Year-to-Date
<b>Beginning Cash Balance 7/1/2019</b>	253,393.68		
Permits		0.00	2,600.00
*Severance Tax		0.00	8,834.72
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
<b>Total</b>		0.00	11,434.72
Personnel Expenditures		(6,704.03)	(20,359.84)
Operating Expenditures		(904.70)	(6,127.57)
P-Card Liability to be paid		0.00	0.00
<b>Ending Cash Balance 09/30/2019</b>		0.00	238,340.99

\*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**

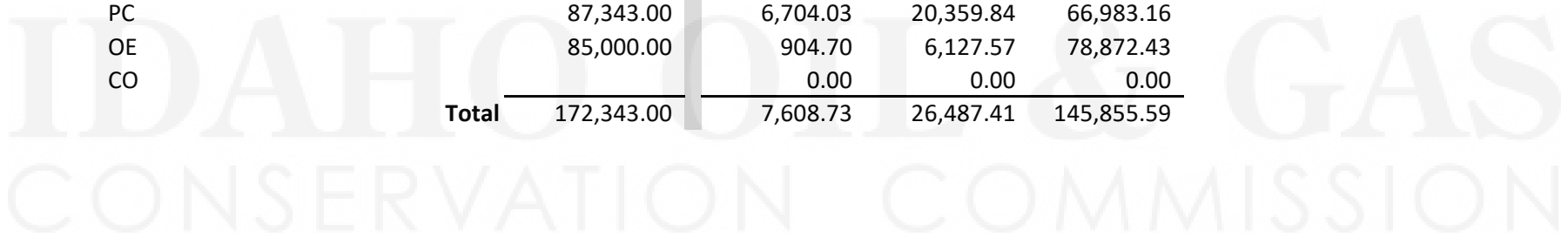
**Expenditures from General Fund FY20**

	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55000 Expenses</b>				
PC	400,005.00	30,801.00	91,826.41	308,178.59
OE	102,200.00	7,117.59	34,970.96	67,229.04
CO	0.00	0.00	0.00	0.00
<b>Total</b>	502,205.00	37,918.59	126,797.37	375,407.63

**Dedicated Fund Regulatory Program Expenditures Report**

**Expenditures from Dedicated Fund FY20**

	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55070 Expenses</b>				
PC	87,343.00	6,704.03	20,359.84	66,983.16
OE	85,000.00	904.70	6,127.57	78,872.43
CO	0.00	0.00	0.00	0.00
<b>Total</b>	172,343.00	7,608.73	26,487.41	145,855.59



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

		Current Month	Year-to-Date
<b>Beginning Cash Balance 7/1/2019</b>	253,393.68		
Permits		0.00	2,600.00
*Severance Tax		7,703.70	16,538.42
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
<b>Total</b>		<u>7,703.70</u>	<u>19,138.42</u>
Personnel Expenditures		(6,702.22)	(27,062.06)
Operating Expenditures		(53.44)	(6,181.01)
P-Card Liability to be paid		0.00	0.00
<b>Ending Cash Balance 10/31/2019</b>			<u><u>239,289.03</u></u>

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

**General Fund Regulatory Program Expenditures Report**

**Expenditures from General Fund FY20**

	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55000 Expenses</b>				
PC	400,005.00	30,799.22	122,625.63	277,379.37
OE	102,200.00	298.37	35,269.33	66,930.67
CO	0.00	0.00	0.00	0.00
<b>Total</b>	<u>502,205.00</u>	<u>31,097.59</u>	<u>157,894.96</u>	<u>344,310.04</u>

**Dedicated Fund Regulatory Program Expenditures Report**

**Expenditures from Dedicated Fund FY20**

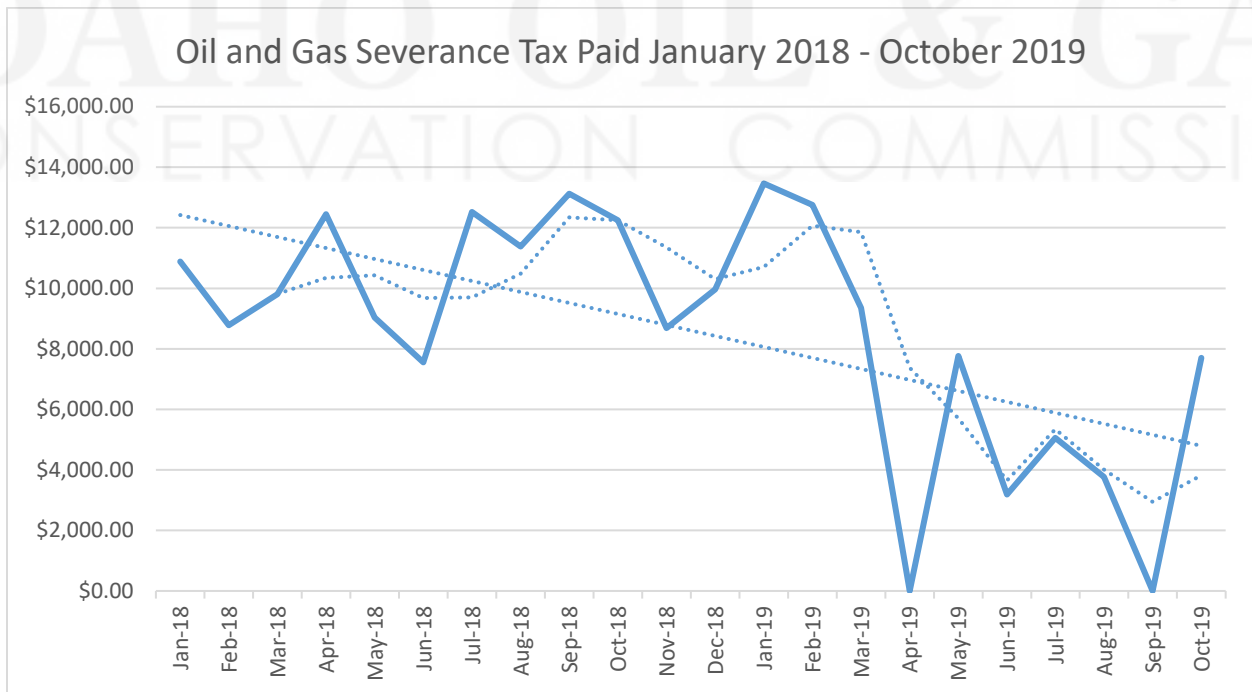
	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55070 Expenses</b>				
PC	87,343.00	6,702.22	27,062.06	60,280.94
OE	85,000.00	53.44	6,181.01	78,818.99
CO		0.00	0.00	0.00
<b>Total</b>	<u>172,343.00</u>	<u>6,755.66</u>	<u>33,243.07</u>	<u>139,099.93</u>

Division Administrator's Report  
November 13, 2019

Item 1A – Financial Update

Severance Tax Revenue since January 2018:

Month	Severance Tax	
Jan-18	\$10,880.62	
Feb-18	\$8,777.81	
Mar-18	\$9,800.23	
Apr-18	\$12,451.16	
May-18	\$9,032.92	
Jun-18	\$7,550.60	
Jul-18	\$12,523.76	
Aug-18	\$11,377.82	
Sep-18	\$13,128.41	
Oct-18	\$12,247.34	
Nov-18	\$8,685.06	
Dec-18	\$9,968.47	\$126,424.20 CY 2018
Jan-19	\$13,464.61	
Feb-19	\$12,757.97	
Mar-19	\$9,349.57	
Apr-19	\$0.00	
May-19	\$7,767.35	
Jun-19	\$3,188.38	\$114,458.74 FY 2019
Jul-19	\$5,061.82	
Aug-19	\$3,772.90	
Sep-19	\$0.00	
Oct-19	\$7,703.70	\$63,066.30 CY 2019 (to date)



IDAHO OIL & GAS  
CONSERVATION COMMISSION





# Southwest Idaho Oil & Gas Activity Map



## Legend

<b>Active Oil and Gas Wells</b>		<b>Inactive Oil and Gas Wells</b>		Gas Pipeline	Gas Plant
Shut in Gas	Plugged and Abandoned (P&A) Oil Show	Gas Transmission Pipeline	Idaho Mineral Estate	Highway	<b>Surface Ownership</b>
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

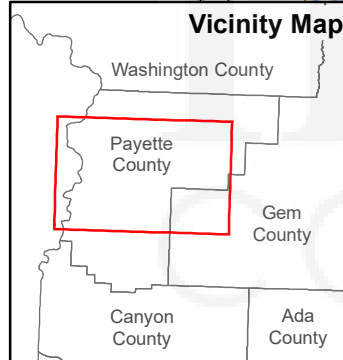
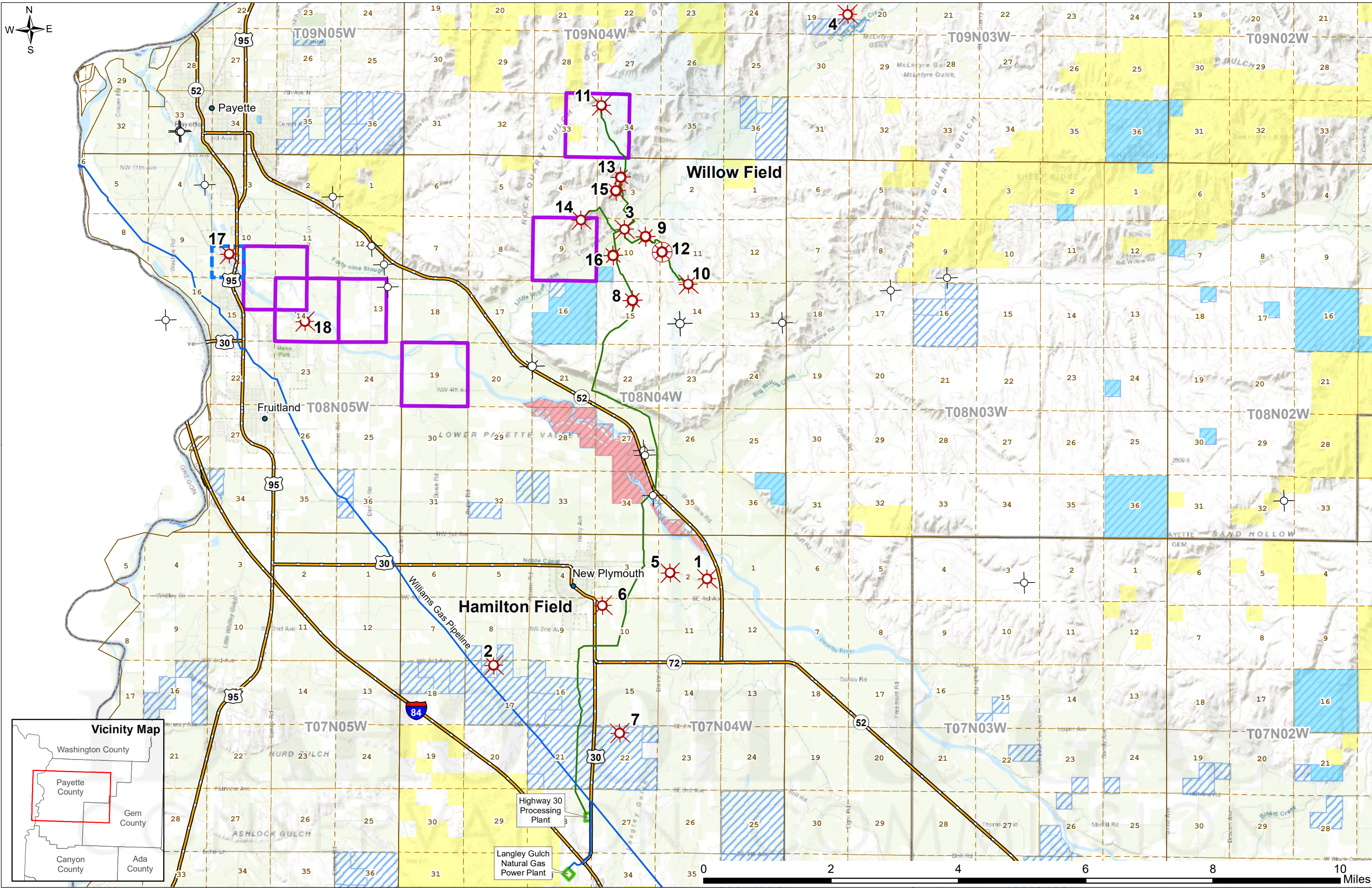
Inactive and Active Oil And Gas Wells through 11/7/2019

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.





Highway 30 Processing Plant  
Langley Gulch Natural Gas Power Plant





# 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

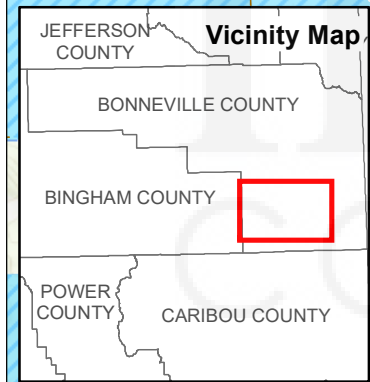
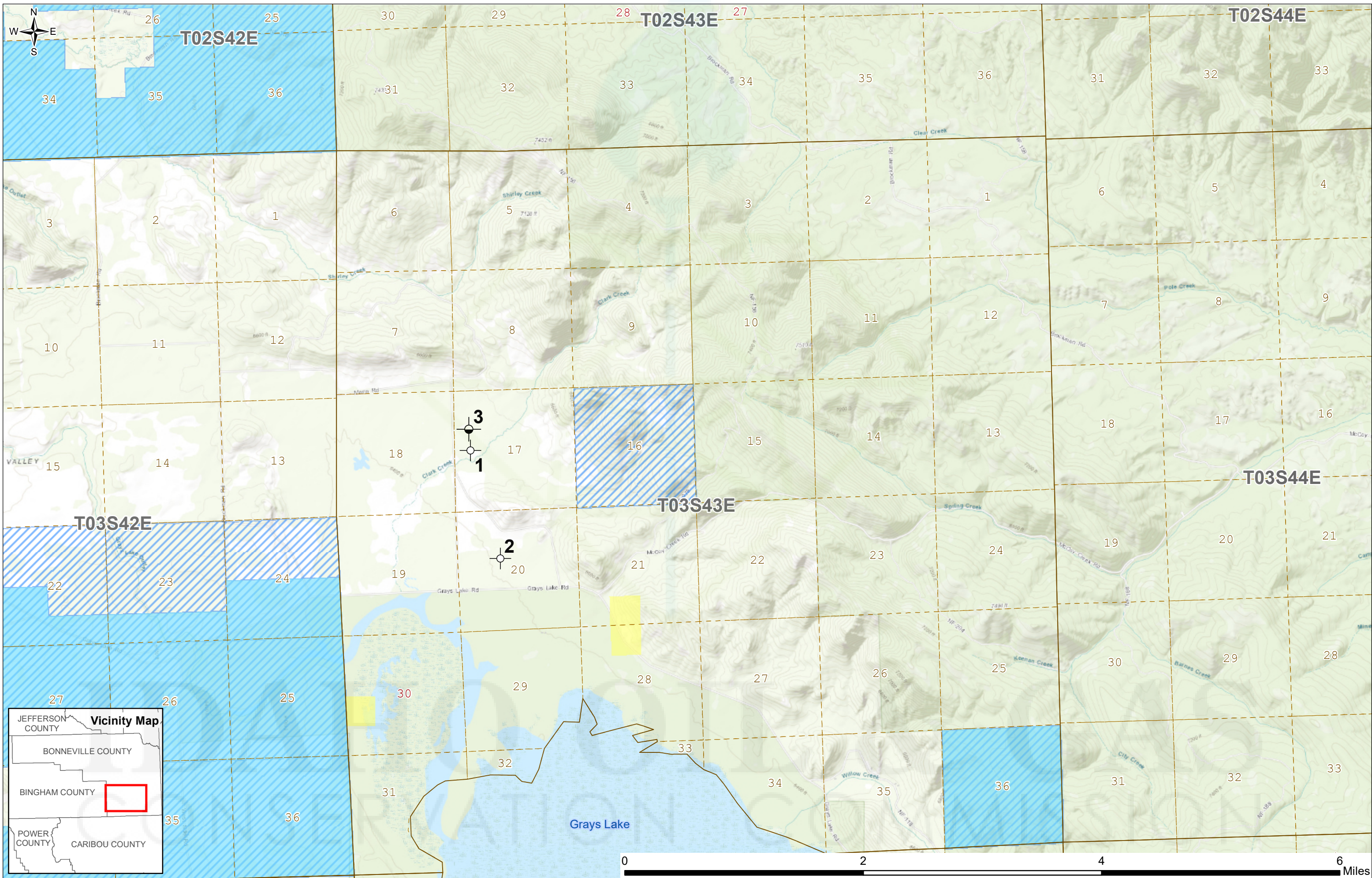
Inactive and Active Oil And Gas Wells through 11/7/2019

Data Sources: Idaho Department of Lands and Idaho Geological Survey

#### Disclaimer:

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Division Administrator's Report  
November 13, 2019

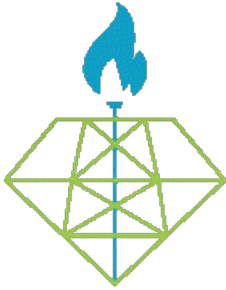
Item 1C - Status Update

i. Class II Injection Well – Permit Status:

On September 27, 2019, the Idaho Department of Lands (Department) received a courtesy email from the Environmental Protection Agency (EPA) that the AM Idaho Class II Permit Application was received and is complete. In a follow up email to the EPA on November 5, the Department learned that the review is ongoing, and will likely continue into 2020.

ii. Docket No. CC-2017-OGR-01-002 – Kauffman Complaint:

On October 17, 2019, the Kauffman's asked for a stay of proceedings due to similar litigation between the parties. On October 21, the hearing officer granted the stay and vacated the October 22 prehearing conference. The stay will remain in effect until such time as the parties notify the hearing officer that the mediation has occurred or until other notice is provided by the hearing officer.



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

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Draft Minutes

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

The regular meeting of the Idaho Oil and Gas Conservation Commission was held 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 began at 1:00 p.m. Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Marc Shigeta  
Commissioner Jim Classen  
Commissioner Renee Love

For the record, four Commission members were present. Commissioner Dustin Miller was absent.

• **ANNOUNCEMENTS**

Chairman Coppersmith went over the order of agenda items.

**1. Division Administrator's Report**

A. Financial Update

Chairman Coppersmith inquired about extraordinary expense items. Secretary Mick Thomas responded that in July there were no expensive charges, that rulemaking was about \$2,100 but that the end of the fiscal year for 2019 was steep due to the legal fees per the federal court order.

B. Current Oil and Gas Activity

C. Status Update

i. Class II Injection Well – Permit Status

Chairman Coppersmith inquired if the operator has given any indication of their plans. Secretary Thomas explained that the Department was not aware of any plans but that the operator may be in communication with the Environmental Protection Agency (EPA).

• **CONSENT – ACTION ITEM(S)**

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

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

- **REGULAR – ACTION ITEM(S)**

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

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

*DISCUSSION:* After the motion was made, Chairman Coppersmith noted that she spoke with Vice Chairman Shigeta and that they are both willing to hold their roles as chair and vice chair.

*COMMISSION ACTION:* A motion was made by Commissioner Love to keep Chairman Coppersmith and Vice Chairman Shigeta in their current roles. Commissioner Classen 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**

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

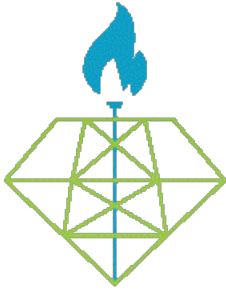
**5. Operator Records Examined/Allocation Investigation** – *Presented by Dave Schwarz, Field Inspector – Oil and Gas*

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

- **EXECUTIVE SESSION**

None

There being no further business before the Commission, at 2:17 p.m. a motion to adjourn was made by Commissioner Classen. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned.



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

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Draft Minutes

Idaho Oil and Gas Conservation Commission Special Meeting  
September 25, 2019

The special meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, September 25, 2019, at the Idaho Department of Lands, Syringa Conference Rooms, 300 N 6th Street, Suite 103, Boise, Idaho. The meeting began at 10:00 a.m. Chairman Coppersmith presided. The following members were present:

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

For the record, five Commission members were present. Chairman Coppersmith, Vice Chairman Shigeta and Commissioner Classen attended the meeting in person. Commissioner Love and Commissioner Miller joined via teleconference.

- **ANNOUNCEMENTS**

For the record, no public comment was accepted at this meeting.

- **REGULAR (ACTION)**

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

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

*DISCUSSION:* Commissioner Classen inquired if Secretary Thomas personally reviewed these proposed rules. Secretary Thomas confirmed that he did review the rules and that they are the same as what was presented to the Commission at the May special meeting. Commissioner Miller later noted that he appreciated the work done by the staff on these rules.

*COMMISSION ACTION:* A motion was made by Commissioner Classen that the Commission adopt the proposed rule as the pending rule for IDAPA 20.07.02 *Rules Governing Conservation of Oil and Natural Gas in the State of Idaho* and authorize the Department to submit a Notice of Adoption of Pending Rule consistent with that adoption. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 5-0.

There being no further business before the Commission, at 10:06 a.m., Chairman Coppersmith adjourned the meeting.



IDAHO OIL & GAS  
CONSERVATION COMMISSION



IDAHO OIL AND GAS CONSERVATION COMMISSION  
November 13, 2019  
Information Agenda

SUBJECT

Update on Allocation Investigation for hydrocarbons from wells in Willow Field, Payette County, Idaho operated by AM Idaho (AMI). Background Information is provided at the end of this update. Capitalized words are defined in the Glossary, which follows the Background Information.

OVERVIEW

In March of 2018, the Idaho Oil and Gas Conservation Commission (Commission) noted discrepancies in volumes reported by AM Idaho for Residue Gas and Plant Condensate allocated back to some individual wells that produced from Willow Field. AM Idaho/High Mesa Holdings (AMI/HMH) was informed of the discrepancies. In late November of 2018, AMI/HMH discovered a systematic error in one of several equations used in some steps of the Allocation process for individual hydrocarbon components. The error affected the volumes of Plant Condensate and Residue Gas allocated to the Rich Gas stream and to the Well Condensate stream leaving the Little Willow Facility and entering the Highway 30 Plant. The error was a mismatched stream analysis reference within one equation.

Overall, the error allocated greater volumes of Plant Condensate to well completions with greater aggregate volumes of methane, ethane, propane, and the butanes (C1-C4) at the expense of well completions that contributed more Pentanes Plus (C5 and up), relative to their aggregate volumes of C1-C4. The systematic error also affected the Allocation of Residue Gas, but in the opposite direction. In essence, if a well completion was allocated a disproportionately larger volume of Plant Condensate, then it would be allocated a disproportionately smaller volume of Residue Gas, and *vice versa*.

Allocations of Natural Gas Liquids (NGLs) were not affected by the error. However, the corrected Allocation method will change NGL volumes, because processing Rich Gas (and to a lesser extent Well Condensate) creates NGL's, which, along with Residue Gas and Plant Condensate, are allocated back to each well completion (discussed under Background Information).

DISCUSSION

On April 1, 2019, the Idaho Department of Lands Oil and Gas Division (Division) received several Allocation datasets produced for AMI/HMH by their contract petroleum engineer. These datasets contain:

- Monthly results and yearly summations of the original Allocation method and the corrected Allocation method
- Difference between the two methods.

The Division analyzed the datasets and created its own summations, which confirmed the Plant Condensate volumes and Residue Gas volumes using both Allocation methods for the years 2016, 2017, and 2018. The Division also determined the volume differences between these

methods to individual well completions, and summed the grand totals for the Willow Field production based on each method. The grand totals of volumes from the original Allocation and the corrected Allocation are equal.

In the May 29, 2019 *Idaho Oil and Gas Conservation Commission Information Agenda, Update on Allocation Investigation*, the Division interpreted that the new corrected Allocation volumes were consistent to the original Allocation results, with differences of plus or minus five percent between the Allocations to each well completion as reasonable differences by well completion explained by the error introduced from the mismatched stream analysis reference. The exception was noted to be the Kauffman 1-9 LT, which showed a 28 percent difference in Plant Condensate between the two Allocation methods. At that time, the Division presumed that this difference was also related to the allocation error summarized above. However, further review by the Division indicates that this earlier interpretation is incorrect.

During 2018, Rich Gas from Kauffman 1-9 LT was separated from Crude Oil by its Three-Phase Separator. Rich Gas was then processed through Little Willow Gathering Facility and Highway 30 Gas Processing Plant. Therefore, the Allocation error did affect the 2018 volumes of Plant Condensate and Residue Gas allocated to the Rich Gas stream and to the Well Condensate stream leaving Little Willow Gathering Facility. The corrected Allocation for Rich Gas resulted in the addition of a few BBL of Plant Condensate that came only from the Rich Gas stream processed through the Little Willow Gathering Facility.

The Kauffman 1-9 LT Crude Oil was not processed through Little Willow Gathering Facility, nor the Highway 30 Gas Processing Plant. Therefore, the Allocation cannot include Crude Oil volumes as if they are Plant Products created by the Highway 30 Plant, and then allocated back to the Kaufmann 1-9 LT well completion as Plant Condensate. However, the AMI/HMH summation datasets from the Allocation methods include Crude Oil volumes as if they are analogous to Well Condensate. The Division removed Crude Oil volumes from the Allocation datasets. This reduced the difference between Plant Condensate allocated between the two Allocation methods for the Kauffman 1-9 LT from the originally-interpreted 28 percent to five percent. The five percent difference is similar to other well completions between the two Allocation methods, and represents a reasonable difference by well completion explained by the error introduced from the mismatched stream analysis reference.

IDAHO OIL & GAS  
CONSERVATION COMMISSION

## BACKGROUND INFORMATION

Eleven well completions have produced hydrocarbon components from Willow Field at some time during the August 2015 through December 2018 time period of this Allocation Investigation.

The fluid stream from each well completion is run through its own Three-Phase Separator and metered. Because of various technical, operational, or financial constraints associated primarily with the location of each well in relation to the production process, the location of the initial three-phase gravity separator for each well completion is located on the well pad, or at Little Willow Gathering Facility (described under Allocation in Glossary).

Each Three-Phase Separator for each well completion produces Formation Water (not discussed further), Rich Gas, and Well Condensate (see Attachment 1: Simplified Conceptual Diagram of the Process Flow Stream for a Willow Field Well). Volumes of each of these fluid streams are metered.

Rich Gas from each well completion mostly consists of methane, ethane, propane, and the butanes, with smaller percentages of pentanes, hexanes, and heptanes. At Little Willow Gathering Facility, Rich Gas metered from each well completion is combined in the Rich Gas Battery, followed by further processing. This may: (1) increase the combined volume of Rich Gas by adding Flash Gas captured from the Well Condensate Battery; or (2) decrease the combined volume of Rich Gas removed by loss of both Drip Condensate and water removed by Gas Dehydrators.

Combined Rich Gas is then compressed and injected into the 11-mile long Rich Gas pipeline and delivered to the Northwest Gas Processing, LLC – Highway 30 Plant. At the Highway 30 Plant, Rich Gas undergoes further processing until the remaining Residue Gas meets interstate pipeline quality natural gas requirements (89-94% methane, minimal water vapor, etc.). Residue Gas is then compressed and injected into the Williams Northwest Pipeline. At this point, the Residue Gas is valued on an agreed-upon gas sales Index (less allowable contract-defined costs) and purchased by a gas broker or an end-user for delivery to various potential commercial users or residential distributors along the route of the Williams Northwest Pipeline.

The liquids removed from Rich Gas at the Highway 30 Plant are called Natural Gas (Plant) Liquids (NGPL or NGL), and also referred to as Plant Products. NGLs consist of a mixture of ethane, propane, isobutane, normal butane, and Pentanes Plus heavier molecular-weight hydrocarbon components (referred to as Pentanes Plus or Natural Gasoline). The mixed NGL components are also referred to as Y-Grade, raw mix, or raw make. The Y-Grade NGLs are trucked in specialized tankers from the Highway 30 Plant to a rail loading facility in Ontario, Oregon. Truck loads are transloaded into specialized rail tanker cars. Once the railroad accepts the full load for each NGL railcar, the ownership transfers to the buyer. The buyer or a broker arranges for the Y-Grade NGLs to be railed to a highly-specialized processing plant called a Fractionator. Idaho Y-Grade NGL goes to one of four fractionators located at or near Conway, Kansas, where the mixed NGL components are split into the individual purity components of ethane, propane, isobutane, normal butane, and Pentanes Plus. The individual purity components are then valued at the outlet of the Fractionator against an agreed-upon NGL Index (less fractionation costs, and other allowable contract-defined costs), and then transported by pipeline or railcar to a petrochemical facility. For example, purity ethane may

be purchased and transported from Conway to an Ethane Cracker located on the Gulf Coast of Texas to be processed into ethylene, a base stock for the manufacture of various polyethylene plastics.

At the outlet of the individual Three-Phase Separators, Well Condensate mostly consists of pentanes and heavier molecular weight hydrocarbons, and lesser amounts of methane, ethane, propane, and the butanes. At Little Willow Gathering Facility, Well Condensate metered from each well completion is combined in the Well Condensate Battery, followed by further processing. This processing may: (1) increase the combined volume of Well Condensate by adding Drip Condensate from the Rich Gas Dehydrators; or (2) decrease the combined volume of Well Condensate from (2a) Flash Gas removed from the Well Condensate Battery, or from (2b) water removed by the Two-Phase Separator.

At this point in the process, Well Condensate delivered through Little Willow Gathering Facility is still too volatile (unstable) for truck transport. Therefore, Well Condensate is injected into the 11-mile long Well Condensate pipeline and delivered to the Northwest Gas Processing, LLC – Highway 30 Plant. At the Highway 30 Plant, Well Condensate undergoes significant processing in order to meet specific transportation and contractual requirements. At the Highway 30 Plant outlet, the processed Well Condensate is now called Plant Condensate. Plant Condensate is trucked in specialized tankers from the Highway 30 Plant to a rail loading facility in Ontario, Oregon. Truck loads are transloaded into specialized rail tanker cars. Once the railroad accepts the full load for each Plant Condensate railcar, the ownership transfers to the buyer. The buyer is one of several refineries north of Salt Lake City, Utah. The price is determined at the refinery entrance, based on specialized in-situ tests, or by laboratory analysis. The tests or analyses determine the value of the Plant Condensate, by comparing results to an agreed-upon Benchmark oil value, less other allowable contract-defined costs.

Finally, on a monthly basis, individual well completions are allocated their shares of hydrocarbon products (Plant Condensate, Residue Gas, and Natural Gas Plant Liquids) produced by the Highway 30 Plant by a One-, Two-, or Three-Step Allocation Method (described under Allocation in Glossary). The Allocation methods differ in the number of steps because of various technical, operational, or financial constraints associated primarily with the location of each well in relation to the production process. Each individual step uses the component volumes derived from the laboratory analyses that are used to scale the contribution of each well completion to the total of each product.

## 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. The allocation methods for Willow Field differ in the number of steps because of various technical, operational, or financial constraints associate primarily with the location of each well in relation to the production processes. Each individual step in the allocation process uses the molecular percentages of hydrocarbon components derived from multiple laboratory analyses that are used to scale the contributions of each well completion to the total of each product.



- One Step Allocation Method. Only well completion DJS 1-15 uses a one-step allocation process. The fluid stream from DJS 1-15 undergo three-phase gravity separation and metering at the well pad. The two liquid hydrocarbon streams from DJS 1-15 go into the two separate pipelines downstream of Little Willow Gathering Facility. One pipeline transports Well Condensate (devoid of Flash Gas) and Rich Gas (devoid of Drip Condensate) to the Highway 30 Plant. Therefore, the Highway 30 Plant totals are allocated **to** DJS 1-15 in one step.
- Two Step Allocation Method. Seven well completions (Kauffman 1-9 LT (“lower tube”), Kauffman 1-9 UT (“upper tube”), ML 1-10, ML 1-11 UT, ML 1-11 LT, ML 2-10, and ML 3-10) use a two-step allocation process.
  - Step 1: Highway 30 Plant totals **to** Little Willow Facility totals;
  - Step 2: Little Willow Facility totals (minus totals from the “multi wells” discussed below) **to** these individual well completions.
- Three Step Allocation Method. The three wells with partial federal mineral ownership (ML 1-3, ML 2-3, and Kauffman 1-34) use a three step allocation process.
  - Step 1: Highway 30 Plant totals **to** Little Willow Facility totals;
  - Step 2: Little Willow Facility totals **to** the Multi-Well Separator” totals. For well completions K 1-34, ML 1-3, and ML 2-3, each well fluid stream undergoes three-phase gravity separation and metering for each well at each well pad, and not at the Little Willow Facility. Then, the three fluid streams (water, hydrocarbon liquids, and hydrocarbon gases) from the three wells (nine total fluid streams) are combined into one gathering line, which runs to the multi-well three-phase separator located at Little Willow Gathering Facility. The Multi-Well Separator creates three fluid streams (water, hydrocarbon liquids, and hydrocarbon gases), each individually metered.
  - Step 3: The multi-well hydrocarbon stream totals are allocated **to** individual well completions.

**AM Idaho** means AM Idaho LLC, listed as an Idaho Foreign Limited-Liability Company with a principal address is 15021 Katy Freeway, 4th Floor, Houston, TX 77094. During the Allocation Investigation, AM Idaho was the operator of wells in Willow Field.

**Benchmark** means a price of a specific crude oil stream at a specific location. There are almost 200 benchmark crude streams produced around the world. Each stream has a unique quality specification, particularly in reference to density and sulfur content. Benchmark prices always reflect a specific point of sale, and will therefore be priced differently at different locations. There are three variables that drive price differences between the different benchmarks: (1) Quality, which is mostly defined by API Gravity and sulfur content, but can also be affected by impurities, molecular structure, and acidity of the crude oil; (2) Marketability, as governed by supply and demand fundamentals that include how much of a specific crude is produced, how many customers are willing to process that crude, and where those processing customers are located; and (3) Logistics, which refers to available

infrastructure and transportation methods used to get a specific crude from the producer to its processing customer.

**BTU** means the energy per unit volume represented by the number of British Thermal Units (BTU) produced by the complete combustion of one standard cubic foot of a gas (excluding hydrogen sulfide) at a temperature base of sixty degrees Fahrenheit and pressure base of 14.65 pounds per square foot absolute (psia) (the 14.65 pressure base is the Gas Processors Association standard used to determine the Gross Heating Value of a gas, and is not to be confused with the gas volume correction factor that uses a pressure base for measuring gas of 14.73 psia).

**Condensate** is a generic term and means undifferentiated hydrocarbons that are liquid at the temperature and pressure at which it is measured. Condensate also means the liquid produced by the condensation of a vapor or gas either after it leaves the reservoir or while still in the reservoir (47310(3)).

**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.

**Drip Condensate** means Condensate recovered from Rich Gas by gas processing equipment, such as Rich Gas Dehydrators. Drip Condensate is then added to the Condensate stream for additional processing.

**End Purchaser** means a third-party, arms-length purchaser of oil, gas or condensate that is ready for refining or other use, or a third-party, arms-length purchaser of other fluid or gaseous hydrocarbons that have been separated in a processing facility (47-310 (6)).

**Ethane Cracker** means a highly-specialized petrochemical plant that takes ethane and “cracks” the molecular bonds to produce ethylene, a feedstock for polyethylene plastics and other products. A new ethane cracker is under construction in western Pennsylvania at an estimated cost of \$6 billion.

**Flash Gas** means the spontaneous hydrocarbon gases that are produced from the heating or depressurization of Crude Oil or Condensate during different phases of processing. Flash Gas produced from Crude Oil or Condensate is captured and placed into the Rich Gas stream for additional processing.

**Gross Heating Value** means the energy per unit volume represented by the number of Btu's produced by the complete combustion of one standard cubic foot of a gas (excluding hydrogen

sulfide) at a temperature base of sixty degrees Fahrenheit and a pressure base of 14.65 pounds per square inch absolute.

**Highway 30 Gas Processing Plant** means an industrial process plant that takes in Rich Gas, and typically removes water, CO<sub>2</sub>, 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 comingled liquid and gaseous hydrocarbon streams; and then sends the two separate hydrocarbon streams to a gas processing plant.

**Index** means the name of the physical trading hub and its recorded prices paid over time for actual deliveries of Residue Gas or NGLs.

**Lease Condensate** means condensate produced on or near the lease, and is a term used interchangeably with the term Well Condensate, prior to the condensate being processed at a Gathering Facility.

**MCF (or Mcf)** means one thousand cubic feet of gas at standard base conditions of 60°F and 14.73 psia.

**MMBTU (or MMBtu)** means one million British Thermal Units (BTU). The BTU is a traditional unit of heat, defined as the amount of heat required to raise the temperature of one pound of water by one degree Fahrenheit.

**Multi-Well Separator** means a three-phase gravity separator located at Little Willow Gathering Facility. For well completions K 1-34, ML 1-3, and ML 2-3, each well fluid stream undergoes three-phase gravity separation and metering for each well at each well pad, and not at Little Willow Gathering Facility. Then, the three fluid streams (water, hydrocarbon liquids, and hydrocarbon gases) from the three wells (nine total fluid streams) are combined into one gathering line, which runs to the multi-well three-phase separator located at Little Willow Gathering Facility. The Multi-Well Separator creates three fluid streams (water, hydrocarbon liquids, and hydrocarbon gases), each individually metered.

**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.

**Pentanes Plus**, also called P-plus and natural gasoline, means hydrocarbon components of the pentanes, plus heavier hydrocarbon components extracted from Well Condensate and Rich Gas at processing plants, Gas Processing Plants, gas plants, gasoline processing plants, fractionating plants, cryogenic plants, and cycling plants.

**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.

**Plant Products** means the component NGLs produced as a Y-Grade mix at a Gas Processing Plant, along with: their allocated and settled quantities on a per well basis; the price per gallon of the individual components; the total quantities of the summed components; and the total value of the summed components.

**Produced Water** means water produced as a byproduct along with the oil and gas. Produced Water is typically gravity separated and measured at or near the wellhead. Produced Water is also referred to as formation water, or interstitial water, but formation water may not have been the water present when the rock originally formed. Produced Water may include connate water (or fossil water), which is the water trapped in the rock spaces during its formation.

**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. Rich Gas allocated back to an individual well completion will have a different molecular percentages of hydrocarbon compounds versus Rich Gas at the outlet of Little Willow Gathering Facility.

**Rich Gas Battery** means the pipe header assembly that connects multiple metered Rich Gas well streams to one large diameter pipe, the outlet of which goes to a Rich Gas Dehydrator.

**Rich Gas Dehydrator** means the equipment and processes whereby water is removed from water-wet Rich Gas. The processes may also remove Condensate entrained in the Rich Gas in knock-out tanks by gravity methods. The Condensate removed by dehydration processes is typically called Drip Condensate.

**Three-Phase Separator** means a processing system commonly used in the oil and gas industry for the separation by density contrasts of oil, water, and hydrocarbon gases from raw product streams.



**Two-Phase Separator** means a processing system commonly used in the oil and gas industry for the separation by density contrasts of oil (or Condensate) and water from raw product streams.

**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 allocated back to an individual well completion will have a different molecular percentages of hydrocarbon compounds versus Well Condensate at the outlet of Little Willow Gathering Facility. 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.

**Well Condensate Battery** means a system or arrangement of equipment receiving the effluent from more than one well completion, thereby mixing the previously-metered Well Condensate streams.

**Willow Field** means the geographic area of T8N R4W and T8N R5W, Payette County in which hydrocarbons have been or are produced.

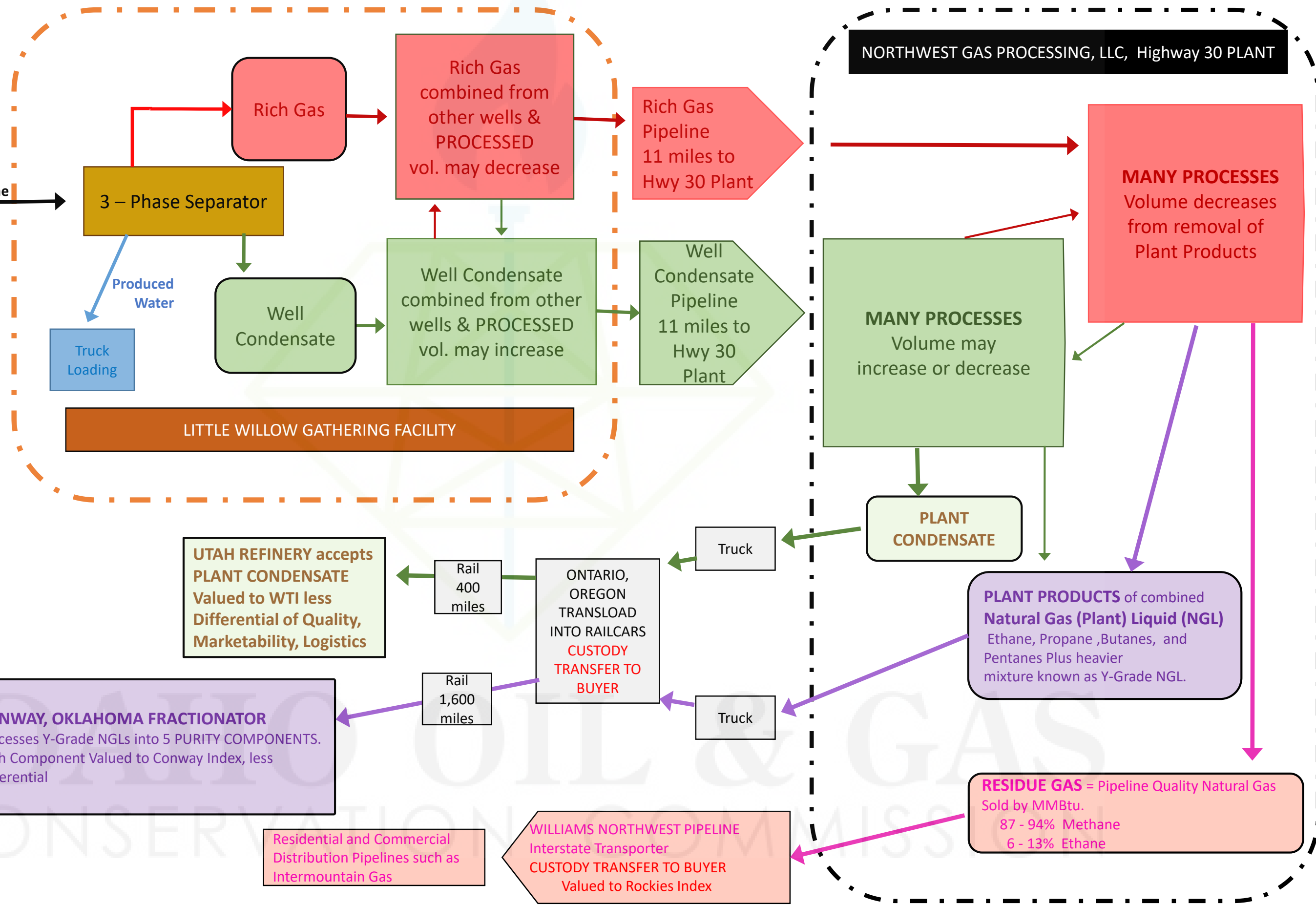
**Y-Grade**, also referred to as raw mix and raw make, means the mixed NGL stream produced at a Gas Processing Plant. The Y-Grade NGL stream itself has no commercial value, because it cannot be used in any industrial application. The story is that Y-grade got its name from an old Texas pipeline company that assigned different letters to the various products that they shipped.

#### ATTACHMENT

1. Simplified Conceptual Diagram of the Process Flow Stream for a Willow Field Well

**ATTACHMENT 1: Simplified Conceptual Diagram of the Process Flow Stream, Willow Field Well**

Well Fluids of Hydrocarbons & Produced Water  
 One Well Completion  
**START**



Ethane, Propane, Isobutane, Normal Butane, and Pentanes Plus. Each stored in separate Conway Salt Domes or run into separate purity product pipelines to petrochemical plants. Example: Ethane piped to ExxonMobil Baytown Ethane Cracker in Mont Belvieu, Texas to process into Ethylene for Polyethylene Plastics.

**CONWAY, OKLAHOMA FRACTIONATOR** processes Y-Grade NGLs into 5 PURITY COMPONENTS. Each Component Valued to Conway Index, less Differential

**UTAH REFINERY** accepts PLANT CONDENSATE Valued to WTI less Differential of Quality, Marketability, Logistics

**WILLIAMS NORTHWEST PIPELINE** Interstate Transporter CUSTODY TRANSFER TO BUYER Valued to Rockies Index

**RESIDUE GAS = Pipeline Quality Natural Gas** Sold by MMBtu. 87 - 94% Methane 6 - 13% Ethane

IDAHO OIL AND GAS CONSERVATION COMMISSION  
November 13, 2019  
Information Agenda

SUBJECT

Plant Reports

BACKGROUND

Idaho Code § 47-324 (c) requires monthly reporting of plant operations on forms required by the Department. In coordination with the Oil and Gas Conservation Commission (Commission), the Idaho Department of Lands (Department) has provided forms to the Hwy 30 Plant operated by Northwest Gas Processing LLC.

This form requires residue gas in MCF (one thousand cubic foot – volume of natural gas), condensate in BBLs (barrels), and Natural Gas Liquids (NGLs) in gallons. NGLs are a plant product that result from the processing of multiple gas streams. The Department requires that the plant operator provide data indicating how these products were allocated back to the individual well.

The allocation investigation initiated by the Commission revealed some inconsistencies with how the individual product streams were allocated back to the individual wells. The operator resolved these inconsistencies, and this new data was used in the allocation of plant products back to the well.

DISCUSSION

On a field wide basis, the NGL volumes reported to the Department before and after the allocation correction are within a reasonable margin of error. The Department has not received NGLs by well historically, therefore a historical comparison is not possible.

We have uploaded the current allocation data by well by month to the Commission website for public review. As of this meeting, current allocation data for calendar years 2016 and 2017 have been reviewed and uploaded. Further data will be posted as it is received.

*Note: The current allocation data reports for 2016-2017 can be found on the Monthly & Annual Reports page of the Commission website here: <https://ogcc.idaho.gov/monthly-annual-reports/> Reports are posted in their respective years and called “Revised Plant Reports”.*

ATTACHMENTS

1. Idaho Code § 47-324
2. Sample Plant Report (January 2016)
3. Plant Report Interpretation Key



# Idaho Statutes

TITLE 47  
MINES AND MINING  
CHAPTER 3

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

47-324. REPORTING REQUIREMENTS. (1) All reporting parties shall file the applicable reports described in this section to the department within the time frames provided. Each report shall be completed on forms prescribed by the department.

(a) Monthly production report. Operators shall file monthly production reports to properly account for all oil, gas and water production and disposition from each well, including the amounts of oil and gas sold from each well. Production reports shall be filed on the required form before the fifteenth day of the second calendar month following the month of production.

(b) Gathering facility report. Operators of a gathering facility shall file monthly reports concerning the operation of the plant on the required form before the fifteenth day of the second calendar month following the month of operation.

(c) Gas processing plant report. The operator of each plant manufacturing or extracting liquid hydrocarbons, including gasoline, butane, propane, condensate, kerosene or other derivatives from natural gas, or refinery or storage vapors, shall file a report concerning the operation of the plant on the required form before the fifteenth day of the second calendar month following the month of operation.

(d) Monthly transportation and storage report. Each gatherer, transporter, storer or handler of crude oil or hydrocarbon products, or both, shall file monthly reports showing the required information concerning the transportation operations of the gatherer, transporter, storer or handler before the fifteenth day of the second calendar month following the month of operation. The provisions of this subsection shall not apply to the operator of any refinery, processing plant, blending plant or treating plant if the operator of the well has filed the required form.

(e) Monthly purchaser report. Any person who purchases or is entitled to purchase any product that is subject to the state of Idaho severance tax from the producer or operator of a lease located in this state shall file monthly reports to account for the purchase of all hydrocarbons, including volume and price paid. Purchaser reports shall be filed on the required form before the fifteenth day of the second calendar month following the month in which the hydrocarbons were purchased.

(2) All well test reports. An operator shall file all well test reports within thirty (30) days of completing or recompleting the well. The reports shall include all oil, gas and water produced during all tests.

(3) Well production potential test reports. Unless otherwise provided for in this section, each operator of producing gas or oil wells shall test each producing well for a twenty-four (24) hour period every six (6) months

and shall record all oil, gas and water volumes, including choke size, pressures and any interim bottom hole pressure surveys every six (6) months, resulting from the test on the form.

(4) Logs. An operator shall file all logs, including but not limited to those listed in this subsection, not later than thirty (30) days after the date the log was run, if run:

(a) An open hole electrical, radioactivity or other similar log, or combination of open hole logs of the operator's choice;

(b) A gamma ray log from total depth to ground level elevations. The operator may require a shorter-logged interval if it determines that the log is unnecessary or impractical or if hole conditions risk jeopardizing the open hole; and

(c) A cement bond log across the casing, verifying the formation seal integrity and isolation.

(5) Additional reports. An operator shall file a drilling, completion, workover or plugging report within thirty (30) days of completing or plugging the well.

(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.

(7) Should an operator fail to comply with this section, the commission may assess a penalty in accordance with section 47-329(3), Idaho Code, or may order the well or oil and gas facilities to be shut-in, after notice, opportunity to cure, and opportunity for a hearing.

History:

[47-324, added 2017, ch. 271, sec. 17, p. 696.]

How current is this law?

**Search the Idaho Statutes and Constitution**

IDAHO OIL & GAS  
CONSERVATION COMMISSION





# HOW TO READ THE REVISED PLANT REPORTS



## IDAHO OIL AND GAS CONSERVATION COMMISSION OIL AND GAS MONTHLY PROCESSING PLANT REPORT



**NOTE: THIS REPORT CONTAINS REVISED RESIDUE GAS,  
PLANT CONDENSATE AND PLANT NGLs RE-ALLOCATED BY WELL**

Gas Operating Plant: Hwy 30 Processing Plant  
Operator: Northwest Gas Processing LLC  
Address: 4241 Hwy 30 S  
City: New Plymouth  
Contact Name: Julie Cole

Report Period (Month/Year): 5/1/2017

State: ID  
Title: Consultant

Zip: 83655  
Phone: 281-579-4694  
Email: [jcole@high-mesa.com](mailto:jcole@high-mesa.com)

Amended Report (Y/N) YES

Amended (Month/Year): Nov-19

### RECEIPTS INTO PLANT – 2 SOURCES:

1. GAS PIPELINE METER
2. CONDENSATE PIPELINE METER

RECEIPTS INTO PLANT			
Well Name	Entity	Wet Gas (MCF)	Condensate (BBLs)
DJS 1-15	Alta Mesa	6,301	162
Little Willow Facility	Alta Mesa	305,146	10,865

DELIVERIES OUT OF PLANT				
Well Name	Entity	Residue Gas (MCF)	Condensate (BBLs)	NGL (gallons)
ML 1-3 Condensate	Williams NW	1,167	2,017	22,074
	Campo & Poole			
ML 1-3 Gas	Williams NW	103,564	1,648	135,595
	Campo & Poole			
ML 1-11 UT Condensate	Williams NW	442	941	5,550
	Campo & Poole			
ML 1-11 UT Gas	Williams NW	56,190	922	66,527
	Campo & Poole			
DJS 1-15 Condensate	Williams NW	64	136	1,673
	Campo & Poole			
DJS 1-15 Gas	Williams NW	5,577	81	8,109
	Campo & Poole			

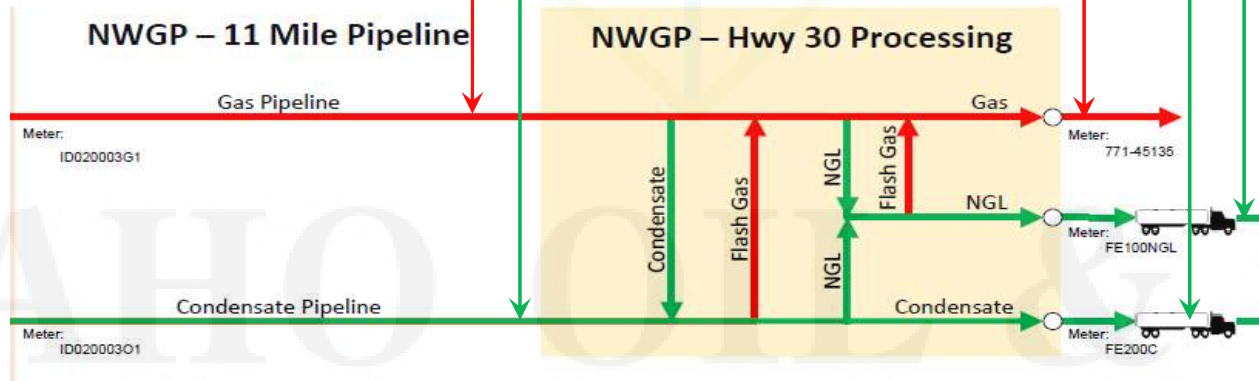
### DELIVERIES OUT OF PLANT – 3 SOURCES:

1. RESIDUE GAS
2. PLANT CONDENSATE
3. PLANT NGLs

### EACH WELL HAS TWO ALLOCATIONS:

1. ALLOCATED TO THE CONDENSATE PIPELINE METER
2. ALLOCATED TO THE GAS PIPELINE METER

THE TOTAL OF THE TWO ALLOCATIONS IS THE TOTAL ALLOCATION OF ALL HYDROCARBON PRODUCTS TO THE WELL



J.THUM 11-6-2019

OIL AND GAS CONSERVATION COMMISSION

REGULAR MEETING

NOVEMBER 13, 2019

INFORMATION AGENDA ITEM 6

DISCUSSION ON COMMISSION'S ROLE IN APPLICATIONS

NO COMMISSION MATERIALS

PROVIDED FOR THIS ITEM

IDAHO OIL & GAS  
CONSERVATION COMMISSION