



IDAHO OIL AND GAS CONSERVATION COMMISSION

Chris Beck, Chairman
Margaret Chipman, Vice Chairman
Sid Cellan, Commissioner
Jim Classen, Commissioner
Ken Smith, Commissioner

Tom Schultz, Secretary to the Commission

FINAL Minutes
Idaho Oil and Gas Conservation Commission Regular Meeting
February 18, 2016

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Thursday, February 18, 2016 in the Borah Building, 2nd Floor Courtroom (Room 214), 304 N. 8th St., Boise, Idaho. The meeting began at 8:05 a.m. Chairman Chris Beck presided. The following members were present:

Vice Chairman Margaret Chipman
Commissioner Jim Classen
Commissioner Ken Smith
Commissioner Sid Cellan

For the record, Chairman Beck recognized the presence of all Commission members.

Also for the record, Vice Chairman Chipman disclosed a potential conflict of interest regarding the Commission's consideration of a recommended order addressing two withdrawn integration applications by Alta Mesa Services (agenda item 3). Alta Mesa is developing oil and gas resources in Idaho under a joint operating agreement with Snake River Oil and Gas. Vice Chairman Chipman owns mineral rights and has leased minerals to Snake River. Vice Chairman Chipman acknowledged the potential conflict of interest in the pending matter and affirmed her ability to impartially evaluate the item based on the record before the Commission.

• **ANNOUNCEMENTS**

1. Director's Report

A. Financial Update

B. Summary of Current Well Permits

DISCUSSION: Commissioner Smith noticed that several of the wells that are still 'shut in waiting pipeline' seem to be fairly close to the plant. Commissioner Smith asked if there is a pipeline under construction at the moment or are rights-of-way still in progress. Director

Schultz replied that to his knowledge the right-of-way is complete, but the Department does not have all the details. Director Schultz offered to gather more information following the meeting and provide to the Commissioners.

C. Maps of Seismic Exploration in Idaho

DISCUSSION: Commissioner Classen explained that seismic maps might help indicate where future activity may take place. The maps show where the activity is currently and may provide a clue as to where future activity is expected, as a function of how long the data has been known. Vice Chairman Chipman noted that county lines are not printed on the maps and asked if they could be added. Director Schultz replied yes, county lines will be added.

- **CONSENT**

2. Approval of Minutes – January 21, 2016 Regular Meeting (Boise)

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

At 8:13 a.m., a motion was made by Vice Chairman Chipman that the Commission convene in Executive Session pursuant to Idaho Code § 74-206 to communicate with legal counsel regarding pending/imminently likely litigation as provided in Idaho Code 74-206(1)(f). Commissioner Smith seconded the motion. Chairman Beck requested that a roll call vote be taken. *Roll Call Vote:* Aye: Chipman, Cellan, Classen, Smith, Beck; Nay: None; Absent: None.

- **EXECUTIVE SESSION**

A. Idaho Code 74-206(1)(f) - to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. [TOPIC: Recommended Order for Dockets No. CC-2015-OGR-01-001 and 002]

At 8:30 a.m. the Commission resolved out of Executive Session by unanimous consent. No action was taken by the Commission during the Executive Session.

- **REGULAR**

3. Hearing Officer's Recommended Order Denying Oral Argument and Denying Attorney's Fees for Dockets No. CC-2015-OGR-01-001 and 002.

RECOMMENDATION: See Attachment 1, Recommended Order Denying Oral Arguments and Denying Attorney's Fees in Dockets No. CC-2015-OGR-01-001 and 002.

DISCUSSION: Commissioner Smith asked if the second applications submitted were essentially the same as the first, but including all of the paperwork that may or may not have been missing. Deputy

Attorney General Kristina Fugate asked for clarification; is Commissioner Smith referring to the resubmitted applications. Commissioner Smith said yes, that is correct; are the new applications reflective of the prior two in all aspects other than the Notices. Ms. Fugate stated that the applications were not the same. Commissioner Smith inquired if there are questions of law that are material differences between the two submittals. Ms. Fugate replied that there are active contested cases regarding the resubmitted applications and therefore she could not state more than that there are differences between the applications.

For the record, at this time Vice Chairman Chipman declared a second potential conflict of interest. Vice Chairman Chipman has a real estate contract of sale with Blaine and Teri May, respondents in Dockets CC-2015-OGR-01-001 and 002. The Mays are purchasing property in Washington County from Vice Chairman Chipman; the property in question is not an issue in the integration applications. Vice Chairman Chipman acknowledged the potential conflict of interest in the pending matter and affirmed her ability to impartially evaluate the item based on the record before the Commission.

COMMISSION ACTION: A motion was made by Commissioner Cellan that the Commission adopt the Recommended Order in full. Vice Chairman Chipman seconded the motion. The motion carried on a vote of 5-0.

4. Proposed Legislation

RECOMMENDATION: No recommendation. The Department is seeking direction from the Commission regarding the proposed legislation.

DISCUSSION: A verbatim transcript is available by request to the Department of Lands, Attn: Oil and Gas Commission Recording Secretary, PO Box 83720, Boise, Idaho 83720-0050 or by email to public_records_request@idl.idaho.gov.

COMMISSION ACTION [S1339]: A motion was made by Commissioner Smith that the Commission recommend that the legislation is appropriate for Idaho. Commissioner Classen seconded the motion. The motion carried on a vote of 5-0.

COMMISSION ACTION [H509]: A motion was made by Vice Chairman Chipman that the Commission stand in support of House Bill 509. Commissioner Cellan seconded the motion. The motion carried on a vote of 5-0.

There being no further business before the Commission, at 10:10 a.m. a motion to adjourn was made by Commissioner Classen. Commissioner Cellan seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.

IDAHO OIL AND GAS CONSERVATION COMMISSION

/s/ Chris C. Beck

Chris C. Beck, Chairman
Idaho Oil and Gas Conservation Commission

/s/ Thomas M. Schultz, Jr.

Thomas M. Schultz, Jr.
Secretary to the Commission

The above-listed final minutes were approved by the Commission at the March 17, 2016 regular Idaho Oil and Gas Conservation Commission meeting.