

IDAHO OIL AND GAS CONSERVATION COMMISSION OPEN MEETING CHECKLIST

FOR MEETING DATE: February 13, 2019

**Regular Meetings**

2/4/19	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) calendar days before meeting.
2/4/19	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) calendar days before meeting.
2/4/19	Notice of Meeting posted in prominent place at meeting location five (5) calendar days before meeting.
2/4/19	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) calendar days before meeting.
2/4/19	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.
2/8/19	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
2/8/19	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
2/8/19	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
2/8/19	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
2/8/19	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	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 <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)*

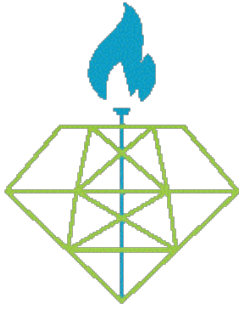
	Notice of Meeting and Agenda posted in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested 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

2/8/19

DATE



## IDAHO OIL AND GAS CONSERVATION COMMISSION

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 FEBRUARY 2019

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on **Wednesday, February 13, 2019** at the **Borah Building, 2nd Floor Courtroom (Room 214), 304 N. 8th St. (at Bannock), Boise, Idaho**. The meeting is scheduled to begin at **1:00 pm (MT)**.

*Please note meeting location and time.*

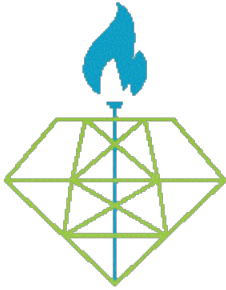
IDAHO OIL & GAS  
CONSERVATION COMMISSION

First Notice Posted: 2/4/2019-IDL Boise; 2/4/2019-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

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  
February 13, 2019 – 1:00 PM (MT)  
Borah Building, 2nd Floor Courtroom (Room 214), 304 N. 8th St. (at Bannock), 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
  - iii. Oil and Gas Royalty Audit
- D. Operator Compliance

- **CONSENT – ACTION ITEM(S)**

- 2. **Approval of Minutes** – December 20, 2018 - Regular Meeting (Boise)

- **REGULAR – ACTION ITEM(S)**

- 3. **Election of Interim Chairman and Vice Chairman**

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

- **INFORMATION**

4. **Quarterly Report - Third Quarter 2018** – *Presented by James Thum, Program Manager – Oil and Gas*

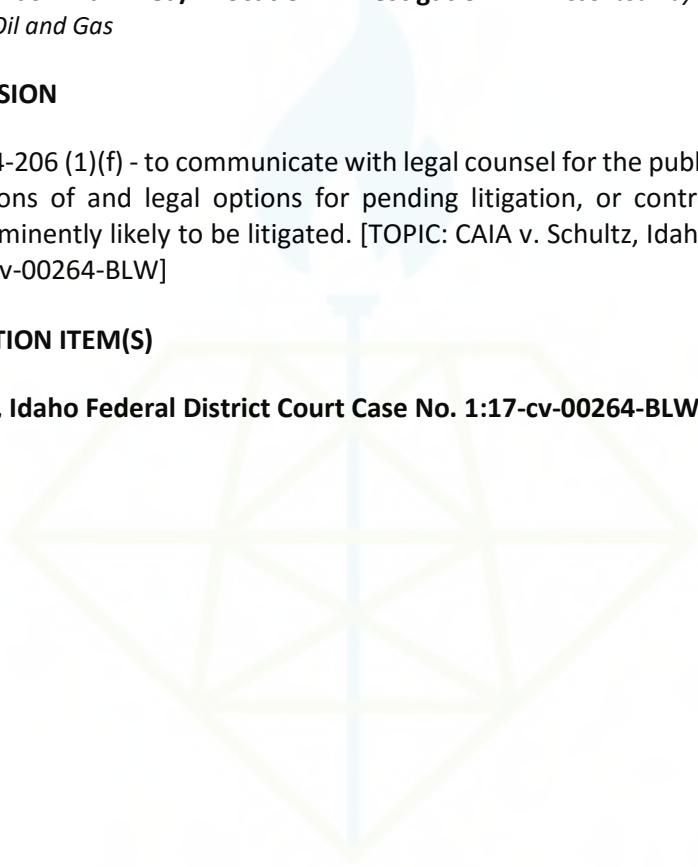
5. **Operator Records Examined/Allocation Investigation** – *Presented by Mick Thomas, Division Administrator – Oil and Gas*

- **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: CAIA v. Schultz, Idaho Federal District Court Case No. 1:17-cv-00264-BLW]

- **REGULAR – ACTION ITEM(S)**

6. **CAIA v. Schultz, Idaho Federal District Court Case No. 1:17-cv-00264-BLW**



IDAHO OIL & GAS  
CONSERVATION COMMISSION



# Idaho Statutes

Print Friendly

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 which is 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 act 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.

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.]

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 January, 2019  
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
<b>Beginning Cash Balance 7/1/2018</b>	322,595.74		
Permits		0.00	11,000.00
*Severance Tax		13,464.61	81,395.47
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
<b>Total</b>		<u>13,464.61</u>	<u>92,395.47</u>
Personnel Expenditures		<b>(6,675.94)</b>	<b>(47,447.34)</b>
Operating Expenditures		46.53	<b>(7,242.88)</b>
P-Card Liability to be paid			0.00
<b>Ending Cash Balance 01/31/2019</b>			<u><u>360,300.99</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 FY19**

		Current Month	Year-to-Date	Balance
<b>PCA 55000 Expenses</b>	<b>Appropriation</b>			
PC	388,800.00	30,610.52	219,708.33	169,091.67
OE	102,000.00	4,230.37	76,620.06	25,379.94
CO	0.00	0.00	0.00	0.00
<b>Total</b>	<u>490,800.00</u>	<u>34,840.89</u>	<u>296,328.39</u>	<u>194,471.61</u>

**Dedicated Fund Regulatory Program Expenditures Report**

**Expenditures from Dedicated Fund FY19**

		Current Month	Year-to-Date	Balance
<b>PCA 55070 Expenses</b>	<b>Appropriation</b>			
PC	95,800.00	6,675.94	47,447.34	48,352.66
OE	110,000.00	<b>(46.53)</b>	7,242.88	102,757.12
CO		0.00	0.00	0.00
<b>Total</b>	<u>205,800.00</u>	<u>6,629.41</u>	<u>54,690.22</u>	<u>151,109.78</u>



# 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) Gas Show	Gas Transmission Pipeline	Idaho Mineral Estate
Producing - Multi Zone	Plugged and Abandoned	Highway	<b>Surface Ownership</b>
Producing	APD Submitted	Township	BLM
Permitted		Sections	IDF&G
		Counties	IDL
		Approved Integration/Spacing Request	
		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	Producing
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	Producing
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
19	11-075-20035	AM Idaho, LLC	Fallon #1-11*	Permitted
			* confidential well	

### Map Notes and Data Sources

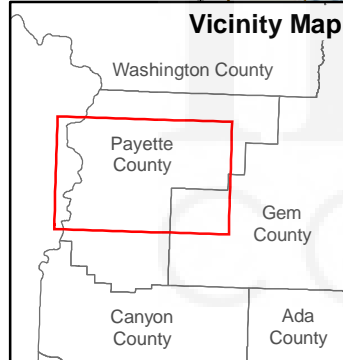
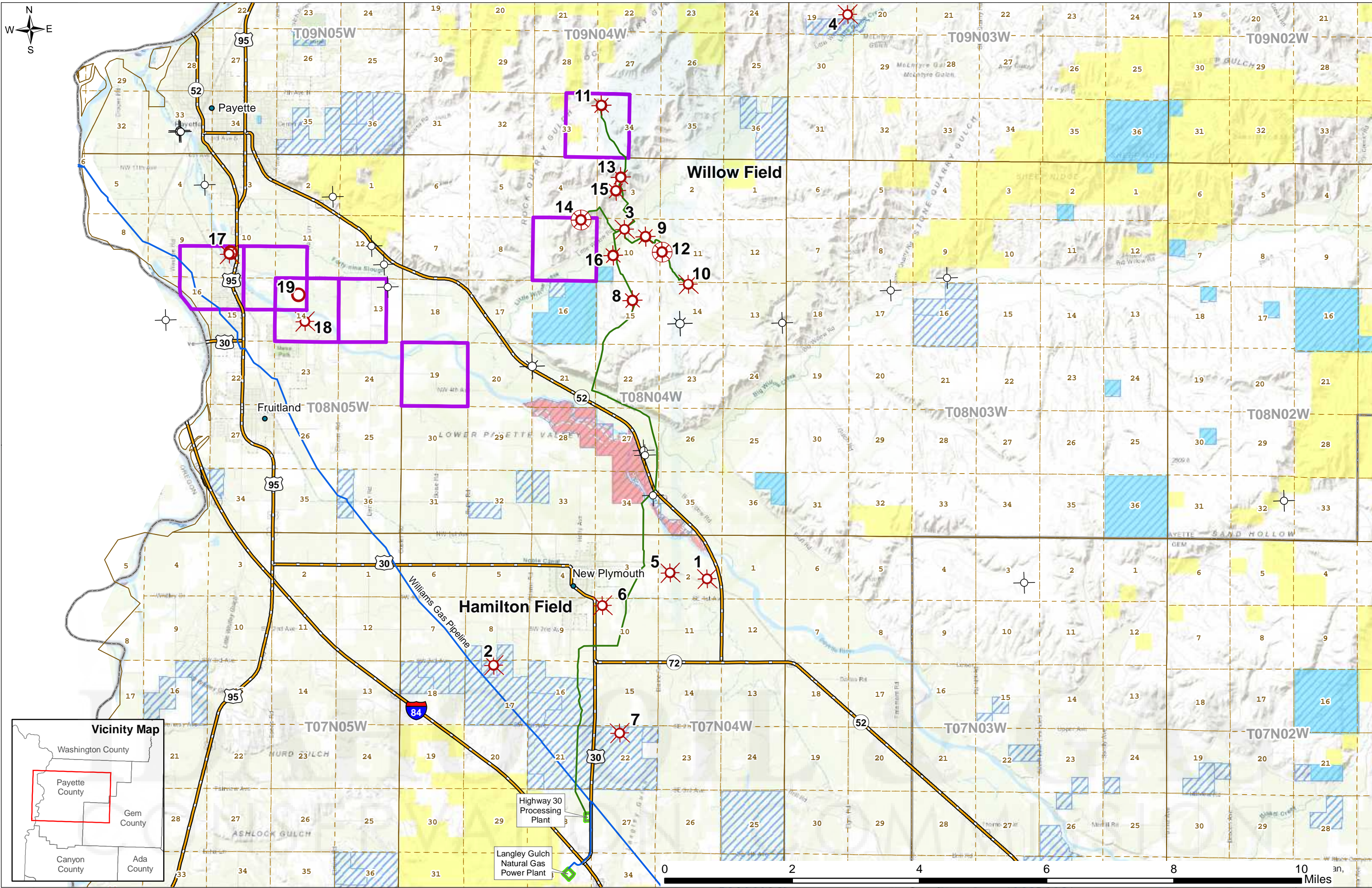
Inactive and Active Oil And Gas Wells through 1/10/2019

Data Sources: Idaho Department of Lands and Idaho Geological Survey

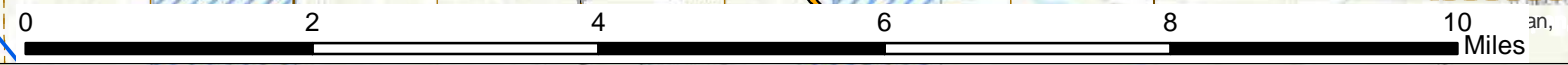
### Disclaimer:

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) Gas Show
-  Plugged and Abandoned
-  APD Submitted

-  Approved Integration/Spacing Request
-  Integration/Spacing Request
-  Idaho Mineral Estate
- Surface Ownership**
-  BLM
-  IDL
-  Township
-  Section
-  County
-  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*	Drilled
			* confidential well	

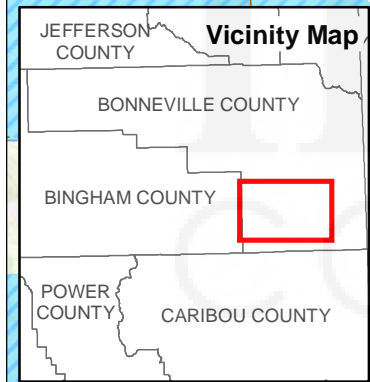
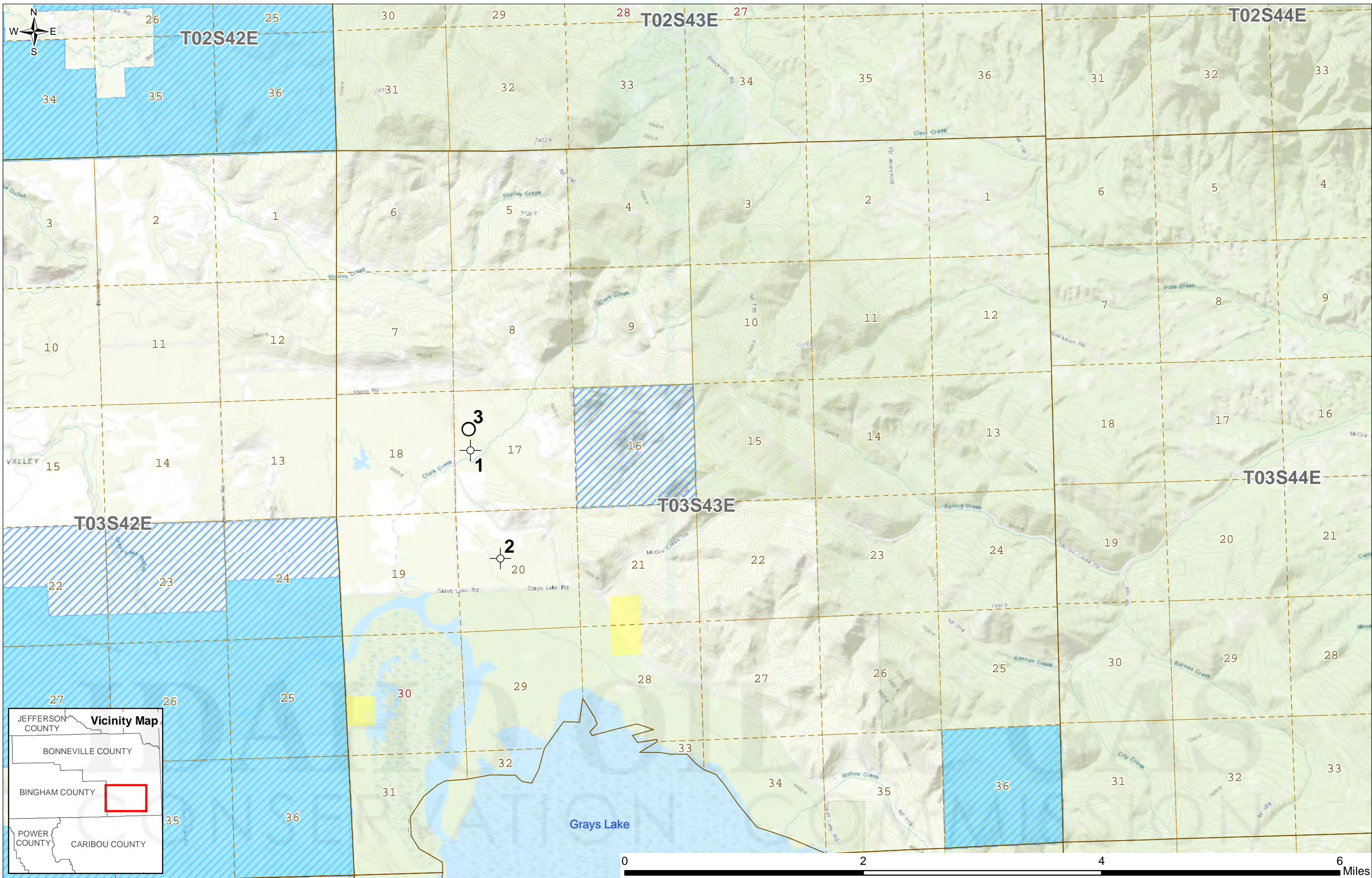
#### Map Notes and Data Sources

Inactive and Active Oil And Gas Wells through 11/26/2018

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.



Division Administrator's Report  
February 13, 2019

Item 1C - Status Update

- i. Class II Injection Well – Permit Status: The Environmental Protection Agency (EPA) sent a letter to Alta Mesa on January 31, 2019 stating that they were reviewing the application for technical viability. While the EPA considers the application complete, it is asking for further clarification, modification or supplemental information on various parts of the application (Attachment 1).
- ii. Docket No. CC-2017-OGR-01-002 – Kauffman Complaint: The Final Order was issued last week on February 6, 2019. The Final Order can be found on the hearings page of the Oil and Gas Conservation Commission website. If there is an appeal, it must be filed in District Court within twenty-eight (28) days of (a) the service date of this Final Order or (b) of an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later.
- iii. Oil and Gas Royalty Audit: Alta Mesa presented a settlement offer for the Department's consideration on January 18, 2019. The settlement offer was rejected by the Department and the Department reasserted the request for production of specific underlying documents by Alta Mesa. On February 8, 2019, Alta Mesa produced additional information. The Department Endowment Leasing Bureau is reviewing the production.

IDAHO OIL & GAS  
CONSERVATION COMMISSION



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 10  
1200 Sixth Avenue, Suite 155  
Seattle, Washington 98101-3140

OFFICE OF  
COMPLIANCE AND ENFORCEMENT

JAN 31 2019

Reply To: OCE – 201

**CERTIFIED MAIL — RETURN RECEIPT REQUESTED**

Mr. Dale R. Hayes  
VP Frontier Operations  
Alta Mesa Services, LP  
15021 Katy Freeway, Suite 400  
Houston, Texas 77094

Re: Underground Injection Control (UIC) Permit Application No. ID-2D001-A – First Notice  
(Technical Review Phase)

Dear Mr. Hayes,

The US Environmental Protection Agency Region 10 (“EPA,” “the Agency”) determined on October 31, 2018, that the permit application package submitted by AM Idaho, LLC (“AM Idaho”) on October 4, 2018 constituted a complete application, as specified at Chapter 40 of the Code of Federal Regulations (40 CFR) §124.3(c). The Agency is currently reviewing the application for technical viability. This portion of the review has not been completed, but so far EPA has identified multiple areas of your application that we request you clarify, modify or supplement.

Specifically, the following information is necessary to supplement, clarify, and/or modify your previously submitted material.

**Maps of well/Area of Review (Attachment B)**

1. To supplement and clarify EPA’s Underground Injection Control Permit Application Attachment B (“Attachment B”), and EPA’s regulations (40 CFR §144.31(e)(7)), supplement the following information:
  - a. An updated topographic map extending one mile beyond the property boundary, delineating the property boundary, and including all intake and discharge structures as well as all hazardous waste, storage, or disposal facilities.
  - b. Identification of wells, springs, other surface bodies of water, and drinking water wells located within one-quarter-mile of the facility property boundary.

ATTACHMENT 1

### **Name and Depth of USDWs (Class II) (Attachment E)**

2. To supplement Attachment E, provide information for all USDWs that are intersected by the proposed injection well (DJS Properties 2-14, "DJS 2-14"). The federal UIC regulations define Underground Sources of Drinking Water (USDWs) as aquifers that must be protected to drinking water standards under the Safe Drinking Water Act (SDWA). Federal UIC regulations define a USDW to include (in addition to aquifers used by public water systems) any aquifer or any portion of an aquifer *which is capable of supplying* a public water system *and* either is currently used for human consumption (any size system) or *contains fewer than 10,000 milligrams per liter (mg/L) of total dissolved solids (TDS), unless that aquifer or its portion has been exempted* (*See, 40 CFR §§ 144.3, 144.7, italicization for emphasis*).

### **Geologic Data on Injection and Confining Zones (Attachment G)**

3. To clarify Attachment G, resubmit the structure maps on pages 10-14 of the permit application. These maps include a scale setting 1 inch to 600 feet that is dependent on the size of the image. Accurate dimensions cannot be determined from the information as currently submitted.
4. To supplement Attachment G, resubmit the five well logs superimposed on Figure G-2. Please identify the proposed confining zones as well as the top and bottom of the prospective injection interval and the base of lowermost USDW (as well as any other key intervals of interest) in each log. Because the images are so small in the original application, please ensure that they can be reviewed in detail. We also request that you provide this information in a format that shows correlative geologic information between the wellbores.
5. To clarify Attachment G, provide information relating to the boundary between the Chalk Hills and Glens Ferry Formations. The permit application states that the Glens Ferry formation is found at a depth of approximately 250-1,600 feet True Vertical Depth (TVD), but a Well Completion Report for the DJS 2-14 wells submitted to the Idaho Oil and Gas Conservation Commission (available on the IOGCC's website) indicates that the bottom of the Glens Ferry formation was encountered at 2,420' Measured Depth (MD). Well records indicate this is a straight wellbore.
6. To supplement Attachment G, provide information regarding the formations below the proposed injection zone and whether a lower confining zone is present.
7. To clarify Attachment G, provide the methods AM Idaho used to identify and classify the faults shown in these structure and isopach maps. Please demonstrate that the proposed injection zone is separated from USDWs by a confining zone free of known open faults or fractures within the area of review (*See, 40 CFR §146.22(a)*).

### **Operating Data (Attachment H)**

8. To supplement Attachment H, submit the laboratory reports used to complete the table, "Wastewater Characteristics, EPA Methods."

9. To supplement Attachment H, please provide information (i.e., safety data sheets) on the chemical composition of the constituents of the annular fluid.

**Construction (Attachment M)**

10. To supplement Attachment M, submit information representing the surface construction of the wellhead. EPA's form 7520-6, Attachment M requires surface construction details for the well (i.e., wellhead components, or a schematic of the wellhead "tree").
11. To modify Attachment M, submit a revised schematic depicting the measured or calculated top of cement behind the 7" production casing. The DJS 2-14 well schematic depicts a grey zone behind the entirety of the production casing from the shoe to the surface. The schematic also references a "1,057' TOC" (Top of Cement), states that there were no cement returns to surface, and references a top-down (cementing) job. In addition, please include information that can be used to evaluate the quality of the cement bonding, such as a cement bond log if one has been completed, along with AM Idaho's evaluation of cementing behind the casing.

EPA cannot make a permitting determination without the above information. EPA reserves the right to make additional requests for information needed to clarify, supplement, or modify the application in the future, if necessary. Please note that, to ensure the protection of underground sources of drinking water, the Safe Drinking Water Act Section 1421 prohibits underground injection which is not authorized by rule or a permit issued by EPA or an authorized State (Safe Drinking Water Act, 42 U.S.C. 300h(b)(1)(A).)

Thank you for your consideration. If you have questions, please contact Evan Osborne by email at [Osborne.evan@epa.gov](mailto:Osborne.evan@epa.gov), or by telephone at (206) 553-1747.

Sincerely,



Peter Contreras, Manager  
Ground Water Unit

IDAHO OIL & GAS  
CONSERVATION COMMISSION

Division Administrator's Report  
February 13, 2019

Item 1D – Operator Compliance

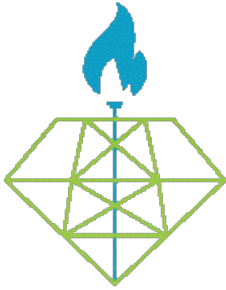
On Tuesday, February 5, 2019, Idaho Department of Lands (Department) staff, through the Office of the Attorney General, filed with the Oil and Gas Conservation Commission (Commission) an administrative complaint against AM Idaho, LLC & Alta Mesa Services, LP relating to the ML Investments #1-11 well.

By filing the complaint, the Department has initiated a contested case, which limits our communication about this matter. As a party to the contested case, we cannot discuss the merits of the complaint or provide any evidence to the Commission outside of the proceeding. The same applies to AM Idaho, LLC & Alta Mesa Services, LP. This ensures that both parties have the same rights and access to the Commission as the decision maker. Department staff can update the Commission on procedural matters, such as scheduling.

We understand that as Commissioners, you may have questions about this complaint. Please direct those questions to Deputy Attorney General Joy Vega, who will be advising the Commission on this matter. Deputy Attorney General Kristina Fugate will be representing Department staff and therefore also may not discuss the substantive issues in this case with the Commission. However, the Commission will have an opportunity to discuss the matter with both parties at a noticed future hearing on the topic. Thank you for understanding the limits on our communication.

IDAHO OIL & GAS  
CONSERVATION COMMISSION





IDAHO OIL AND GAS CONSERVATION COMMISSION

Kevin Dickey, 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  
December 20, 2018

The special meeting of the Idaho Oil and Gas Conservation Commission was held on Thursday, December 20, 2018, 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 Kevin Dickey presided. The following members were present:

Vice Chairman Marc Shigeta  
Commissioner Jim Classen  
Commissioner Renee Love (*via teleconference*)  
Commissioner Dustin Miller

For the record, all five Commission members were present with Commissioner Love joining via teleconference.

• **ANNOUNCEMENTS**

Chairman Dickey gave an overview of the meeting agenda. He explained that the parties concerning Docket No. CC-2017-OGR-01-002 will present their arguments.

• **CONSENT – ACTION ITEM(S)**

1. **Approval of Minutes** – November 28, 2018 - Regular Meeting (Boise)

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

At 1:03 p.m., a motion was made by Commissioner Miller to convene in Executive Session pursuant to Idaho Code 74-206(1)(f) to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated. Vice Chairman Shigeta seconded the motion. Roll Call Vote: *Aye:* Shigeta, Love, Classen, Miller, Dickey; *Nay:* None; *Absent:* None.

Chairman Dickey asked everyone to leave the room.

- **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: Docket No. CC-2017-OGR-01-002; Kauffman Complaint]

At 1:55 p.m., the Commission resolved out of Executive Session by unanimous consent. Chairman Dickey stated that no action was taken by the Commission during the Executive Session. For the record, a short break was taken and the meeting began again at 2:01 p.m.

- **REGULAR – ACTION ITEM(S)**

- 2. **Hearing Officer's Recommended Order in Docket No. CC-2017-OGR-01-002, Randy and Thana Kauffman v. AM Idaho, LLC and Alta Mesa Services, LP; Oral Argument on the Exceptions to the Recommended Order**

*RECOMMENDATION:* None.

*DISCUSSION:* The audio recording of this agenda item 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](mailto:public_records_request@idl.idaho.gov).

At 2:35 p.m., a motion was made by Commissioner Miller to convene in Executive Session pursuant to Idaho Code 74-206(1)(f) to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated. Vice Chairman Shigeta seconded the motion. Roll Call Vote: *Aye:* Shigeta, Love, Classen, Miller; *Nay:* Dickey; *Absent:* None.

Chairman Dickey asked everyone to leave the room.

At 2:48 p.m., the Commission resolved out of Executive Session by unanimous consent. Chairman Dickey stated that no action was taken by the Commission during the Executive Session.

*COMMISSION ACTION:* A motion was made by Commissioner Classen that the Commission declines the Hearing Officer's recommended order and vacates the Hearing Officer's protective order as per Idaho Code § 332(4) and remands to the Hearing Officer for further proceedings consistent with this motion and authorize the Chairman to work with counsel and sign the order on behalf of the Commission. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 5-0.

At 2:58 p.m., a motion was made by Commissioner Miller to convene in Executive Session pursuant to Idaho Code 74-206(1)(f) to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation or controversies not yet being litigated but

imminently likely to be litigated. Vice Chairman Shigeta seconded the motion. Roll Call Vote: *Aye*: Shigeta, Love, Classen, Miller, Dickey; *Nay*: None; *Absent*: None.

Chairman Dickey asked everyone to leave the room.

- **EXECUTIVE SESSION**

- B. 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: Operator Records Examined/Allocation Investigation]

At 3:21 p.m., the Commission resolved out of Executive Session by unanimous consent. Chairman Dickey stated that no action was taken by the Commission during the Executive Session.

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

- **INFORMATION**

**3. Operator Records Examined/Allocation Investigation – Presented by Mick Thomas, Division Administrator – Oil and Gas**

*DISCUSSION*: Chairman Dickey discussed a timeline of the process so far. Secretary Thomas stated that the Department has enough information to proceed with an investigation. At the end of the investigation, the Department will present the findings and determine the next steps. Commissioner Classen explained that he was still focused on getting data for the oil production. Secretary Thomas clarified that oil does not go through the processing plant. Commissioner Miller asked if Capitalize Consulting was going to provide more data by the deadline. Secretary Thomas responded that he had not had any further communication with them since the last email correspondence. Secretary Thomas explained that he is under the impression that Alta Mesa is moving to correct the allocation issue and that the Department will move forward with the investigation.

There being no further business before the Commission, at 3:34 p.m. a motion to adjourn was made by Commissioner Classen. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.

IDAHO OIL AND GAS CONSERVATION COMMISSION  
February 13, 2019  
Regular Agenda

SUBJECT

Election of Chairman and Vice Chairman

BACKGROUND

As per Idaho Code § 47-314(3), the Oil and Gas Conservation Commission (Commission) shall elect a member if a vacancy occurs in either office (Attachment 1).

DISCUSSION

In January 2019, Chairman Kevin Dickey resigned from the Commission. As per Idaho Code § 47-314(3), the Commission shall elect a member to fill the role of Chairman for the remainder of the term which ends in August 2019. If the acting Chairman is elected Chairman, than a Vice Chairman will also need to be elected.

RECOMMENDATION

Direct the Commission to elect a Chairman and Vice Chairman.

COMMISSION ACTION

ATTACHMENT

1. Idaho Code § 47-314

IDAHO OIL & GAS  
CONSERVATION COMMISSION



# Idaho Statutes

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## TITLE 47 MINES AND MINING CHAPTER 3

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

47-314. OIL AND GAS CONSERVATION COMMISSION CREATED – POWERS – LIMIT ON LOCAL RESTRICTIONS – ATTORNEY GENERAL. (1) There is hereby created an oil and gas conservation commission of the state of Idaho within the department of lands. The commission shall consist of the director of the department of lands, a county commissioner as described in this section, and three (3) members appointed by the governor with the advice and consent of the senate.

(a) The county commissioner shall be from a county where oil and gas are being produced or have been produced within the last ten (10) years and shall be elected by a majority of the county commissioners from such producing counties. The county commissioner shall serve a four (4) year term. A vacancy shall be filled by election for the unexpired term in the same manner provided for election to a full term.

(b) The members appointed by the governor shall serve at the pleasure of the governor and shall have a college degree in geosciences or engineering and at least ten (10) years of experience in the oil and gas industry. The governor shall appoint the three (3) technical expert members: one (1) member for a term of four (4) years, one (1) member for a term of three (3) years, and one (1) member for a term of two (2) years. Thereafter, the term of office of each appointed member of the commission shall be four (4) years. A vacancy shall be filled by appointment for the unexpired term in the same manner provided for an appointment to the full term.

(2) On July 1, 2017, the terms of the existing members of the commission appointed under this section shall terminate, with the sole exception that such commission shall decide any administrative actions filed prior to July 1, 2017. Actions filed on and after July 1, 2017, shall be decided by the new commission established under this section.

(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.

(4) The commission shall meet at least annually and thereafter on dates set by the commission. A majority of the members shall constitute a quorum.

ATTACHMENT 1

(5) The members of the commission appointed by the governor or selected by the county commissioners shall be compensated as provided in section 59-509(n), Idaho Code.

(6) The oil and gas administrator of the department of lands shall be the secretary for the commission.

(7) The department of lands shall have the power to exercise, under the general control and supervision of the commission, all of the rights, powers and duties vested by law in the commission, except those provided in sections 47-328 and 47-329(3), Idaho Code.

(8) The commission shall have and is hereby given jurisdiction and authority over all persons and property, public and private, necessary to enforce the provisions of this act, and shall have power and authority to make and enforce rules, regulations and orders, and do whatever may reasonably be necessary to carry out the provisions of this act. Any delegation of authority to any other state officer, board or commission to administer any and all other laws of this state relating to the conservation of oil and gas is hereby rescinded and withdrawn and such authority is hereby unqualifiedly conferred upon the commission, as herein provided. The commission shall follow procedures on applications as provided in section 47-328, Idaho Code, except as provided in sections 47-316(1)(a) and 47-329(3), Idaho Code.

(9) It is the intent of the legislature to occupy the field of the regulation of oil and gas exploration and production with the limited exception of the exercise of planning and zoning authority granted cities and counties pursuant to chapter 65, title 67, Idaho Code.

(10) To implement the purpose of the oil and gas conservation act, and to advance the public interest in the orderly development of the state's oil and gas resources, while at the same time recognizing the responsibility of local governments to protect the public health, safety and welfare, it is herein provided that:

(a) The commission will notify the respective city or county with jurisdiction upon receipt of an application and will remit, electronically, a copy of all application materials.

(b) No ordinance, resolution, requirement or standard of a city, county or political subdivision, except a state agency with authority, shall actually or operationally prohibit the extraction of oil and gas; provided however, that extraction may be subject to reasonable local ordinance provisions, not repugnant to law, which protect public health, public safety, public order or which prevent harm to public infrastructure or degradation of the value, use and enjoyment of private property. Any ordinance regulating extraction enacted pursuant to chapter 65, title 67, Idaho Code, shall provide for administrative permitting under conditions established by ordinance, not to exceed

twenty-one (21) days, unless extended by agreement of the parties or upon good cause shown.

(c) No ordinance, resolution, requirement or standard of a city, county or political subdivision, except a state agency with authority, shall actually or operationally prohibit construction or operation of facilities and infrastructure needed for the post-extraction processing and transport of gas and oil. However, such facilities and infrastructure shall be subject to local ordinances, regulations and permitting requirements, not repugnant to law, as provided in chapter 65, title 67, Idaho Code.

(11) The commission may sue and be sued in its administration of this act in any state or federal district court in the state of Idaho having jurisdiction of the parties or of the subject matter.

(12) The attorney general shall act as the legal advisor of the commission and represent the commission in all court proceedings and in all proceedings before it, and in any proceeding to which the commission may be a party before any department of the federal government. The commission may retain additional counsel to assist the attorney general and, for such purpose, may employ any funds available under this act.

**History:**

[(47-314) 47-317, added 1963, ch. 148, sec. 3, p. 433; am. 1974, ch. 17, sec. 30, p. 308; am. 2012, ch. 111, sec. 2, p. 302; am. 2013, ch. 189, sec. 1, p. 467; am. 2014, ch. 56, sec. 1, p. 133; am. 2015, ch. 102, sec. 1, p. 244; am. 2016, ch. 48, sec. 1, p. 129; am. and redesig. 2017, ch. 271, sec. 6, p. 681.]

How current is this law?

**Search the Idaho Statutes and Constitution**

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

SUBJECT

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

BACKGROUND

As a result of changes to Idaho Code during the 2017 legislative session, 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 3rd quarter of 2018 (July-August-September) 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. Idaho Code § 47-315
2. Idaho Code § 47-324
3. PowerPoint – “Third Quarter 2018 Idaho Oil & Gas Activity Report”

IDAHO OIL & GAS  
CONSERVATION COMMISSION





# Idaho Statutes

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## TITLE 47 MINES AND MINING CHAPTER 3

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

47-315. AUTHORITY OF COMMISSION. (1) The commission is authorized and it is its duty to regulate the exploration for and production of oil and gas, prevent waste of oil and gas and to protect correlative rights, and otherwise to administer and enforce this act. It has jurisdiction over all persons and property necessary for such purposes. In the event of a conflict, the duty to prevent waste is paramount.

(2) The commission and the department shall protect correlative rights by administering the provisions of this chapter in such a manner as to avoid the drilling of unnecessary wells or incurring unnecessary expense, and in a manner that allows all operators and royalty owners a fair and just opportunity for production and the right to recover, receive and enjoy the benefits of oil and gas or equivalent resources, while also protecting the rights of surface owners.

(3) The commission is authorized to make such investigations as it deems proper to determine whether action by the commission in discharging its duties is necessary.

(4) The commission is authorized to appoint, as necessary, committees for the purpose of advising the commission on matters relating to oil and gas.

(5) Without limiting its general authority, the commission shall have the specific authority to require:

(a) Identification of ownership of oil and gas wells, producing leases, tanks, plants, structures, and facilities for the transportation or refining of oil and gas;

(b) The taking and preservation of samples and findings, if taken or analyzed;

(c) The drilling, casing, operation and plugging of wells in such manner as to prevent: (i) the escape of oil and gas out of one (1) pool into another; (ii) the detrimental intrusion of water into an oil and gas pool that is avoidable by efficient operations; (iii) the pollution of fresh water supplies by oil, gas, or saltwater; (iv) blow-outs, cavings, seepages, and fires; and (v) waste as defined in section 47-310, Idaho Code;

(d) The taking of tests of oil and gas wells;

(e) The furnishing of a reasonable performance bond with good and sufficient surety, conditioned upon the performance of the duty to comply with the requirements of this law and the regulations of the commission with respect to the drilling, maintaining, operating and plugging of each well drilled for oil and gas;

(f) That the production from wells be separated into gaseous and liquid hydrocarbons, and that each be measured by means and upon standards that may be prescribed by the commission;

(g) That wells not be operated with inefficient gas-oil or water-oil ratios, and to fix these ratios, and to limit production from wells with inefficient gas-oil or water-oil ratios;

(h) Metering or other measuring of oil, gas, or product;

(i) That every person who produces oil and gas in the state keep and maintain for a period of five (5) years complete and accurate records of the quantities thereof, which records, or certified copies thereof, shall be available for examination by the commission or its agents at all reasonable times within said period, and that every such person file with the commission such reasonable reports as it may prescribe with respect to such oil and gas production; and

(j) The filing of reports or plats with the commission that it may prescribe.

(6) Without limiting its general authority, and without limiting the authority of other state agencies or local government as provided by law, the commission shall have the specific authority to regulate:

(a) The drilling and plugging of wells and the compression or dehydration of produced oil and gas, and all other operations for the production of oil and gas;

(b) The shooting and treatment of wells;

(c) The spacing or locating of wells;

(d) Operations to increase ultimate recovery, such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into a producing formation; and

(e) The disposal of produced water and oil field wastes.

(7) The commission is authorized to classify and reclassify pools as oil, gas, or condensate pools, or wells as oil, gas, or condensate wells.

(8) The commission is authorized to make and enforce rules, regulations, and orders reasonably necessary to prevent waste, protect correlative rights, to govern the practice and procedure before the commission, and otherwise to administer this act.

(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.

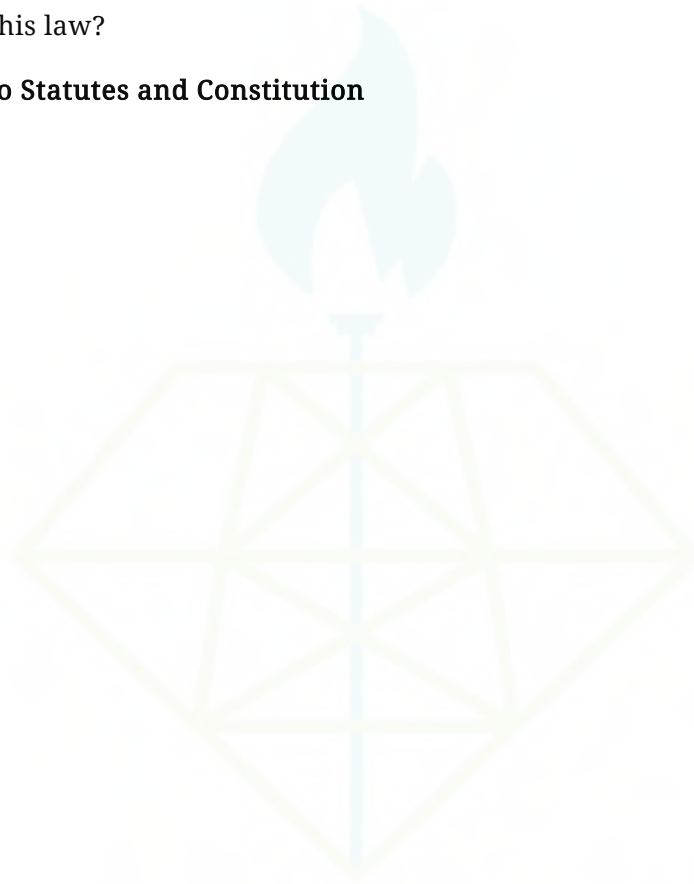
History:

[(47-315) 47-319, added 1963, ch. 148, sec. 5, p. 433; am. 1990, ch. 213, sec. 63, p. 532; am. 2012, ch. 73, sec. 2, p.

211; am. 2012, ch. 111, sec. 3, p. 303; am. 2013, ch. 189, sec. 2, p. 469; am. 2015, ch. 64, sec. 1, p. 173; am. 2015, ch. 141, sec. 120, p. 469; am. 2016, ch. 47, sec. 21, p. 115; am. 2016, ch. 194, sec. 3, p. 542; am. and redesisg. 2017, ch. 271, sec. 7, p. 683.]

How current is this law?

**Search the Idaho Statutes and Constitution**



IDAHO OIL & GAS  
CONSERVATION COMMISSION



# Idaho Statutes

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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**

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

**3rd Quarter 2018 (July - September)**

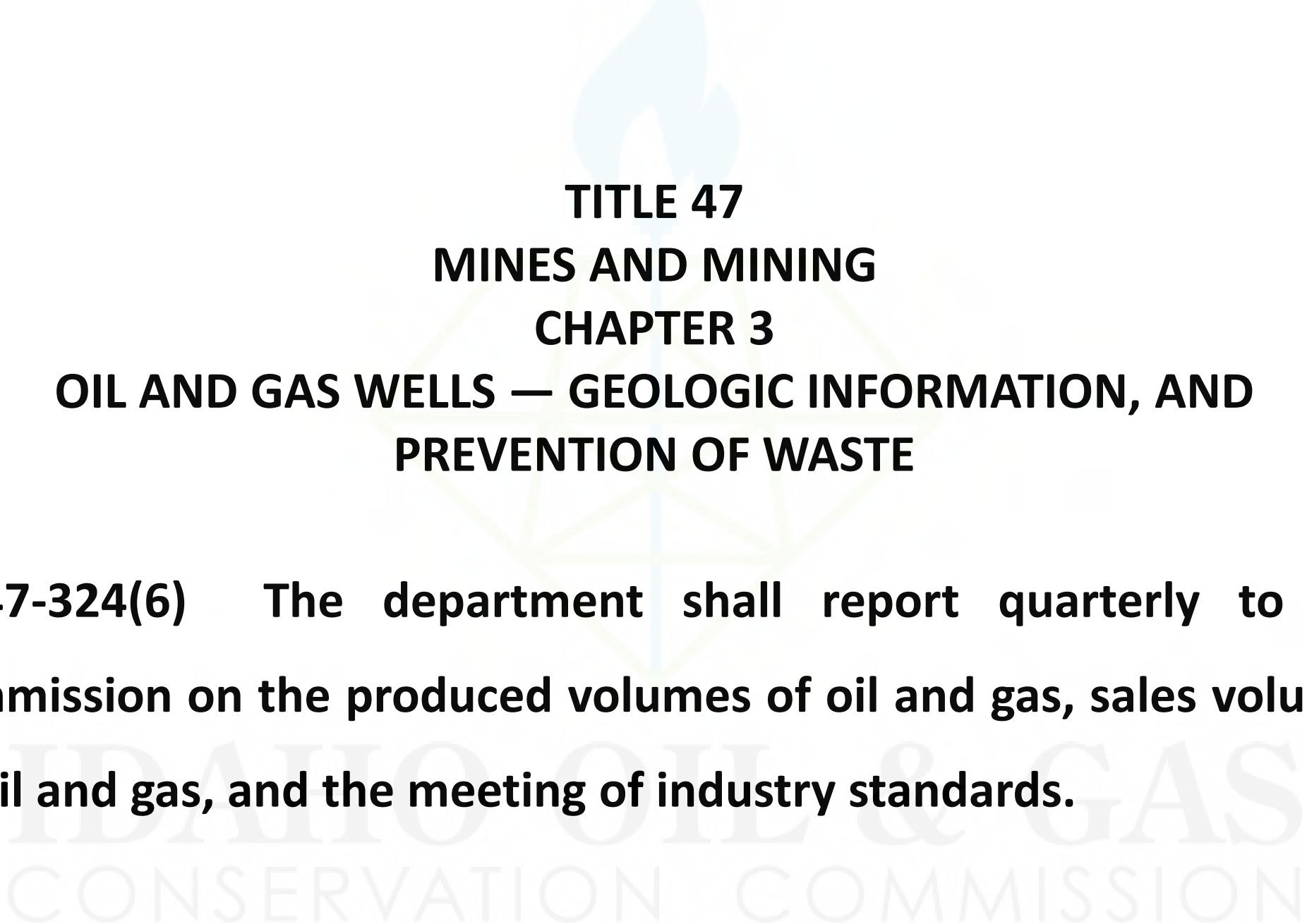


February 13, 2019

JAMES THUM

OIL & GAS PROGRAM MANAGER  
IDAHO DEPARTMENT OF LANDS

ATTACHMENT 3



**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.**

# Volumes Produced & Sold – 3rd Quarter 2018

## 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>
3rd Quarter 2018	412,326	10,478	484,428	9,137	5,452
2nd Quarter 2018	480,245	12,309	554,526	26,896	5,605
Increase / <b>Decrease</b>	<b>-67,919</b>	<b>-1,831</b>	<b>-70,098</b>	<b>-17,759</b>	<b>-153</b>
% Difference	<b>-14%</b>	<b>-15%</b>	<b>-13%</b>	<b>-66%</b>	<b>-3%</b>
vs 3rd Quarter 2017	<b>-57%</b>	<b>-46%</b>	<b>-77%</b>	<b>-23%</b>	<b>-80%</b>
<u>Volumes Sold</u>	<u>Gas (MMBtu)</u>	<u>Condensate (BBL)</u>	<u>NGLs (Gallons)</u>	<u>Oil (BBL)</u>	
3rd Quarter 2018**	255,940	6,926	349,699	9,137	
2nd Quarter 2018	518,132	14,045	494,549	19,792	
Increase / <b>Decrease</b>	<b>-262,192</b>	<b>-7,119</b>	<b>-144,850</b>	<b>-10,655</b>	
% Difference	<b>-51%</b>	<b>-51%</b>	<b>-29%</b>	<b>-54%</b>	
vs 3rd Quarter 2017	<b>-75%</b>	<b>-66%</b>	<b>-72%</b>	<b>9,137%</b>	

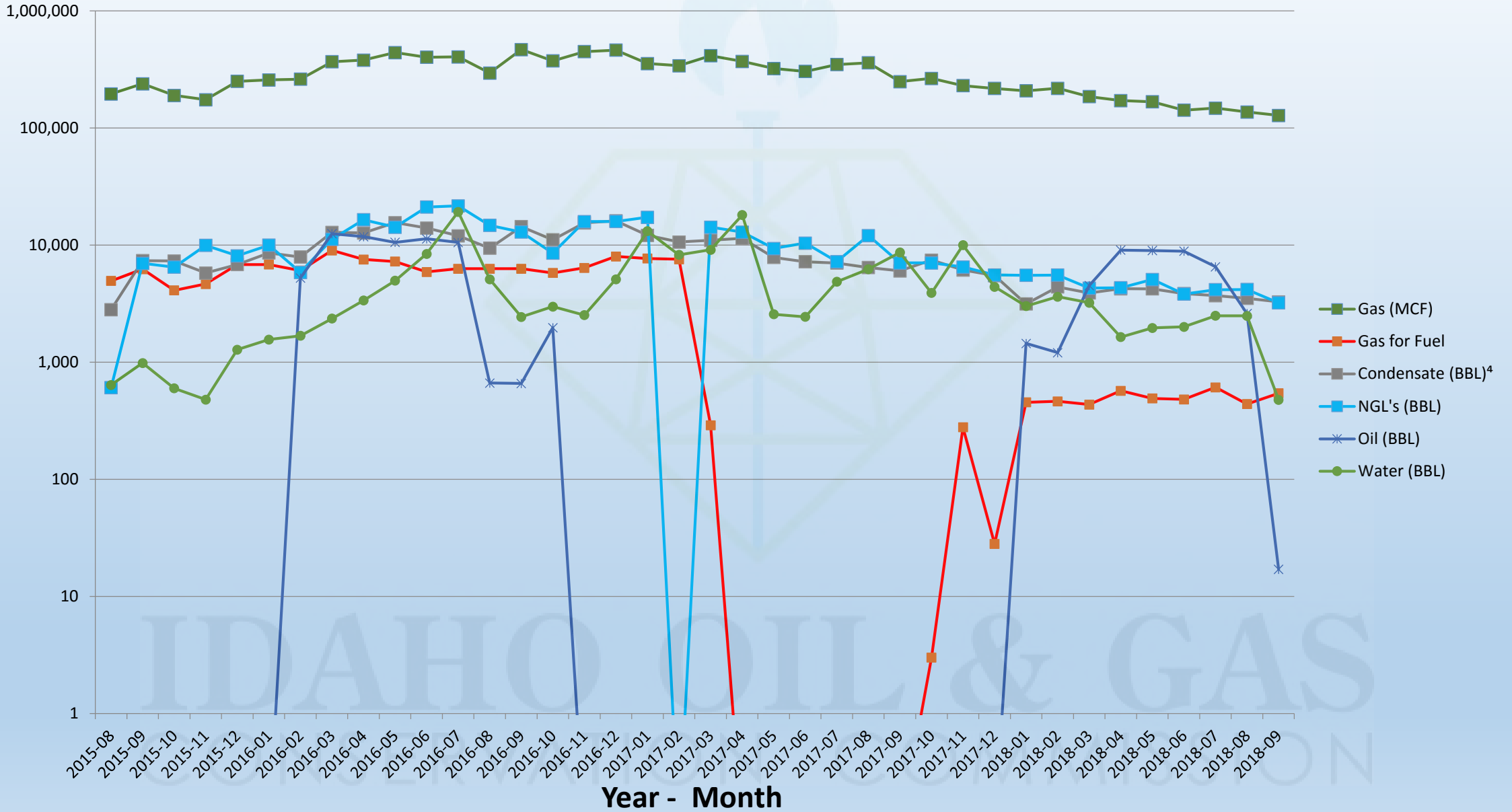
\*Denotes Plant Production from Highway 30 Facility

\*\*No Purchaser Reporting for 3<sup>rd</sup> Quarter 2018. Volumes are Plant Production Volumes

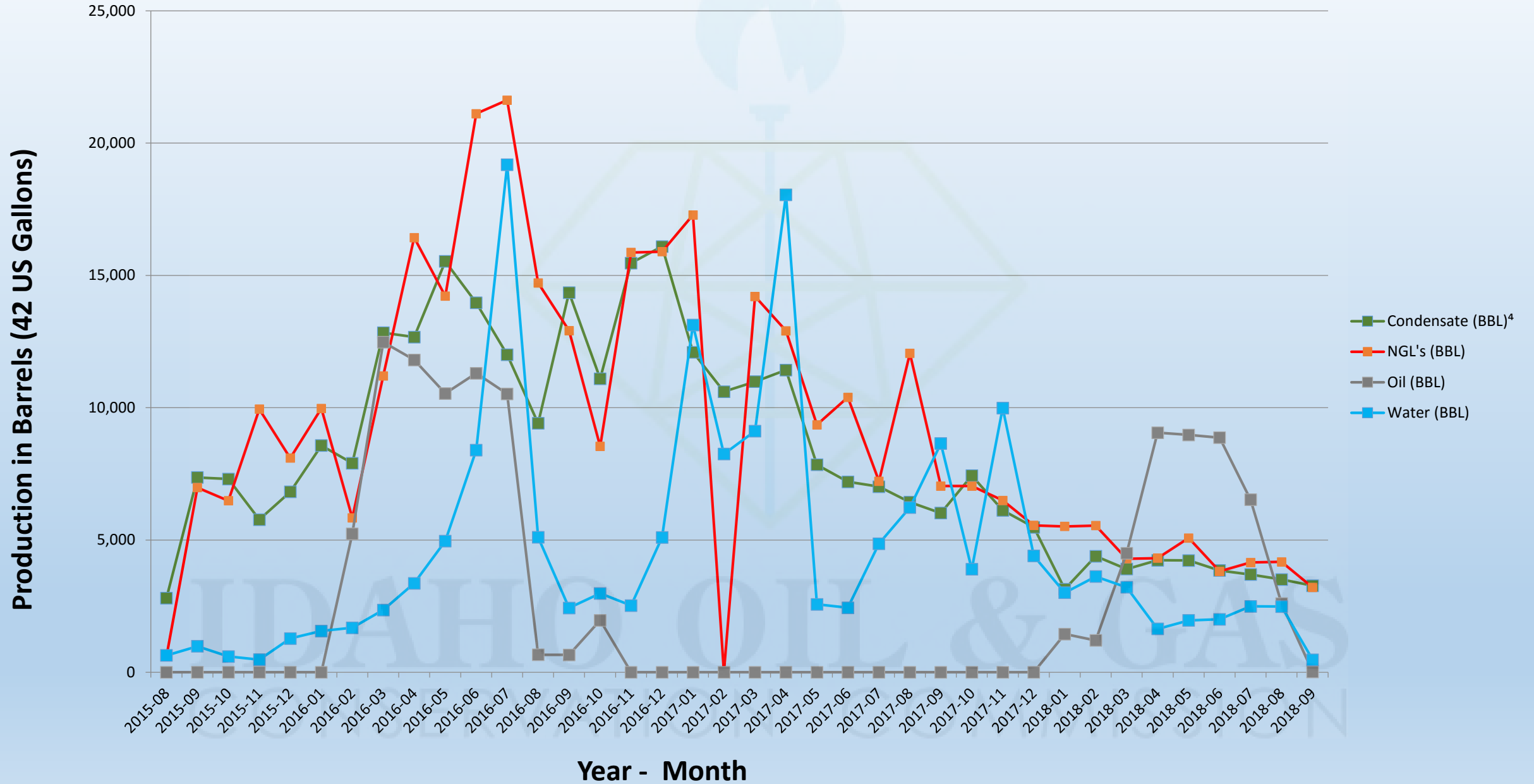


# WILLOW FIELD – TOTAL PRODUCTION BY MONTH

Gas Production in MCF / Liquids Production in BBLs



# WILLOW FIELD – LIQUIDS PRODUCTION BY MONTH



# WILLOW FIELD – GAS PRODUCTION BY MONTH



# Well & Permit Activity

## 3rd Quarter 2018

<u>Wells</u>	<u>Active Permits</u>	<u>Drilling wells</u>	<u>Producing wells</u>	<u>Comments</u>	
July	18	0	7		
August	18	0	8	Kauffman #1-34 – Intermittent Production	
September	18	0	6	Kauffman #1-34, ML #1-3 – No Production Reported	
<u>Other</u>	<u>Sundry Notices</u>	<u>Workover / P&amp;A</u>	<u>APDs Received</u>	<u>APDs Approved</u>	<u>APDs Denied</u>
July	1	0	0	0	0
August	0	0	0	0	0
September	0	4*	1	0	0

\*Notice to Plug received 9/12/2018 for Four Wells: Espino #1-2, Tracy Trust #3-2, White #1-10, Korn #1-22 all in Payette Co. Department Requested Plugging Applications and Fee per Idaho Code § 47-316(3)(c) 9/18/2018

**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 – 3rd Quarter 2018

- **Well Inspections**
  - 11 – General Operations, Post-Drill
- **Two Gas Facility Inspections**
  - Idaho Code § 47-315(9) – Annual
  - IDAPA 20.07.02.430.05 - Quarterly
- **No Issues or Concerns / No Citations**
- **2018 Totals:**
  - 21 Well Inspections
  - 6 Facilities Inspections



# Questions, Comments & Suggestions?



**Thank You**  
**Next Quarterly Report – April 2019**

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

SUBJECT

Operator Records Examined / Allocation Investigation

BACKGROUND

In December 2018, Alta Mesa and the Idaho Department of Lands (Department) confirmed a systemic error in how produced volumes of hydrocarbons are allocated back to the well. This systemic error was discovered as a result of documents subpoenaed on October 16, 2018. As a result of this volume allocation error, Alta Mesa engineers began an internal audit of their Idaho allocation process.

On January 23, 2019, the Department met with Waterfield Energy Software engineers and High Mesa Holdings company representatives to review the initial results of internal audit. After this review, the Waterfield engineer agreed to take steps to implement the corrected allocation algorithm to all produced volumes on condensate, natural gas liquids (NGL's), gas and crude. High Mesa Holdings also agreed to provide transportation records supporting those volumes reported. A date of February 9, 2019 was agreed upon as the date the first set of data would be delivered to the Department.

DISCUSSION

On Wednesday, February 6, 2019, the Department obtained a summary of transportation records for liquid volumes of NGL, condensate and crude delivered by Energy Transport LLC. Two days later on Friday, February 8, 2019, High Mesa Holdings provided a summary of data to the Department that contained corrected allocation volumes for 2017 and 2018, and shared that additional data covering production years 2015 and 2016 would be produced shortly. High Mesa Holdings also provided a sample of run tickets supporting their data.

Both the transportation data obtained from Energy Transport LLC., as well as the data provided by High Mesa Holdings is being reviewed by the Department at this time. When the investigation is complete, the Department will provide the results, as well as any potential recommendations, to the Oil and Gas Conservation Commission at a future meeting.



FEBRUARY 13, 2019

REGULAR AGENDA ITEM 6

CAIA V. SCHULTZ, IDAHO FEDERAL DISTRICT COURT

CASE NO: 1:17-CV-00264-BLW

NO COMMISSION MATERIALS ARE

PROVIDED FOR THIS ITEM

IDAHO OIL & GAS  
CONSERVATION COMMISSION