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# Argus Observer

## IDL official dismisses oil company's spacing and integration application

Citizens Allied for Integrity and Accountability

April 28, 2020

PAYETTE COUNTY — On April 21, the Idaho Department of Lands reported that AMI Idaho LLC's 2019 application for an oil and natural gas spacing unit and the integration - commonly known as forced pooling - of hundreds of Payette County property owners has been dismissed. The dismissal came after the company failed to respond to a March 10 Order issued by Administrator Mick Thomas dictating that AMI or its trustees must demonstrate that they intended to keep the application active. The company had also failed to appear at an earlier pre-hearing conference and scheduled proceedings, after filing for Chapter 7 bankruptcy along with a score of its affiliated companies late last year. AMI has until May 8 to appeal the dismissal.

AMI's application came after major changes to the administrative process triggered by a 2017 due process lawsuit filed by Fruitland property owners and members of the citizens advocacy nonprofit Citizens Allied for Integrity and Accountability. The lawsuit stemmed from a prior spacing and integration attempt by AMI and affiliates, which a federal judge ruled was unconstitutional.

According to CAIA President Shelley Brock, AMI's latest application had come up against even greater resistance from property owners and CAIA members than the initial application associated with CAIA's successful lawsuit.

“Idaho citizens have spoken loud and clear in staunch defense of our Constitutional freedoms, private property rights, the health and safety of our families, and our most precious natural resource — our water,” Brock states. “We will continue to object to what we feel are irresponsible oil and gas operations that are taking place in residential areas — far too close to our homes, schools, rivers and parks here in the Treasure Valley and beyond.”

In the meantime, a new spacing application was submitted on Feb. 24, targeting a slightly smaller subsection of the tracts specified in the AMI applications; all of which surround a gas well already drilled on the banks of the Payette River in 2018 by AMI affiliate Alta Mesa Services, LP. The new application was filed by Snake River Oil & Gas, LLC, a company owned and operated by Alta Mesa partner Richard Brown. This latest application is still pending but has already met resistance from property owners and CAIA members.

Fruitland resident and CAIA board member Julie Fugate points out that while AMI’s application was dropped, the new operator seems determined to produce that well and, in fact, has been aggressively laying a pipeline in anticipation of moving forward. Fugate warns that property owners need to stay vigilant and engaged for the long process that lies ahead.

“The fact that oil futures prices are the lowest they’ve ever been may be buying us some time, but we worry that once these companies fully resume business they may take shortcuts to pull our oil and gas out of the ground as cheaply as possible, presenting even greater dangers to us and our property,” she says.

At the request of CAIA — based on concerns for the safety of their members — and in consideration of the state of emergency due to the COVID-19 crisis, the preconference and evidentiary hearings on this new application, originally scheduled for early April, have been postponed by Thomas for at least 60 days. The deadline for filing objections, responses and pre-hearing motions that had been schedule for late March has also been extended to a date as yet determined.

