

IDAHO OIL AND GAS CONSERVATION COMMISSION
May 8, 2019
Regular Agenda

SUBJECT

Omnibus Temporary and Proposed Rulemaking for IDAPA 20.07.02 – *Rules Governing Conservation of Oil and Natural Gas in the State of Idaho*

BACKGROUND

The Idaho Legislature adjourned the 2019 legislative session without reauthorizing all existing administrative rules. As a result, all existing administrative rules will expire on July 1, 2019.

On January 21, 2019, Governor Little signed Executive Order No. 2019-02, the Red Tape Reduction Act, directing all state agencies with the authority to issue administrative rules to undertake a comprehensive review of each agency's rules to eliminate costly, ineffective or outdated regulations by the end of fiscal year 2021.

DISCUSSION

The Idaho Department of Lands (Department) is seeking approval from the Oil and Gas Conservation Commission (Commission) to move forward with temporary and proposed rulemaking to keep IDAPA 20.07.02 *Rules Governing Conservation of Oil and Natural Gas in the State of Idaho* in effect except the portions of the rule that are already covered in the Idaho Oil and Gas Conservation Act (Oil and Gas Act), title 47, chapter 3, Idaho Code.

Under the direction of the Governor, the Division of Financial Management (DFM) issued guidelines on April 23, 2019 (Attachment 1), on two pathways to move forward as a result of the 2019 legislature not reauthorizing administrative rules. Those pathways are: (1) allow rule to expire; (2) re-authorize rule by July 1, 2019. To reauthorize rules beyond the July 1, 2019, expiration, agencies must submit a completed Notice of Omnibus Rulemaking to DFM no later than May 10, 2019, and follow the requirements of the Idaho Administrative Procedure Act, Chapter 52, Title 67, Idaho Code.

As a result of the Executive Order No. 2019-02 – Red Tape Reduction Act (Attachment 2), the Department has undertaken a comprehensive review of IDAPA 20.07.02 to determine which rules it may allow to expire because they are duplicated in or superseded by the Oil and Gas Act. For example, some of the rules that are superseded are a result of House Bill 301 (2017) which made many changes to the Oil and Gas Act and added sections to the Oil and Gas Act that were also covered in rule.

The Department has found the following sections of IDAPA 20.07.02 that can be allowed to expire as they are superseded by the Oil and Gas Act (Attachment 3 and 4):

- IDAPA 20.07.02.010.10, 16, 20, 32, 34, 35, 36, 39, 42, 56, 57 – Definitions
- IDAPA 20.07.02.110 – Surface Owner Protections
- IDAPA 20.07.02.120 – Well Spacing

- IDAPA 20.07.02.130 – Integration
- IDAPA 20.07.02.131 – Integration Orders
- IDAPA 20.07.02.140 – Unit Operation Agreements
- IDAPA 20.07.02.400.02 – Production Reports
- IDAPA 20.07.02.402.01 – Measurement of Gas, Gas Metering
- IDAPA 20.07.02.410.02 – Meters, Meter Calibration
- IDAPA 20.07.02.420.01 – Tank Batteries, Location
- IDAPA 20.07.02.430.01 – Gas Processing Facilities, Location
- IDAPA 20.07.02.430.06 – Gas Processing Facilities, Reports

Attachment 5 shows the timeline of the omnibus rulemaking through July. The Department will update the timeline as more deadlines may be added during the process. The Department is also working on a Notice of Omnibus Rulemaking (Attachment 6) which will cover all administrative rules the Department issues. This notice will be submitted by May 10, 2019.

RECOMMENDATION

Authorize the Department to initiate Omnibus Temporary and Proposed Rulemaking for IDAPA 20.07.02 Rules Governing Conservation of Oil and Natural Gas in the State of Idaho except for sections 20.07.02.010 (10, 16, 20, 32, 34, 35, 36, 39, 42, 56, 57), .110, .120, .130, .131, .140, .400.02, .402.01, .410.02, .420.01, .430.01, .430.06.

COMMISSION ACTION

A motion was made by Commissioner Classen to authorize the Department to work with the Division of Financial Management to initiate omnibus temporary and proposed rulemaking to reauthorize IDAPA 20.07.02 Rules Governing Conservation of Oil and Natural Gas in the State of Idaho except for sections 20.07.02.010 (10, 16, 20, 32, 34, 35, 36, 39, 42, 56, 57), .110, .120, .130, .131, .140, .400.02, .402.01, .410.02, .420.01, .430.01, .430.06. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 4-0.

ATTACHMENTS

1. April 23, 2019 - DFM Memo
2. January 21, 2019 - Executive Order No. 2019-02 – Red Tape Reduction Act
3. Spreadsheet of Changes
4. IDAPA - 20.07.02 Draft Text
5. Timeline for Omnibus Rulemaking
6. Notice of Omnibus Rulemaking (Template)





State of Idaho
DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

BRAD LITTLE
Governor

ALEX J. ADAMS
Administrator

April 23, 2019

MEMORANDUM

**TO: Executive Branch Agency/Department Heads
Rules Review Officers**

FROM: Alex J. Adams 

SUBJECT: Process to Reauthorize Rules Beyond July 1

The Idaho Legislature did not reauthorize all existing administrative rules as they have done in the past. This will require executive administrative action to ensure existing rules remain in effect in FY20. Governor Little, his staff, DFM, and the Attorney General's Office have been working diligently to assess and plan how to address this unique circumstance. The following lays out the first phase of the Governor's plan to accomplish this process.

The Governor has directed DFM and all state executive agencies to exercise necessary executive authority to minimize the impact on state agencies, and the public most importantly. The efficient operation of state government is a priority to Governor Little, and the people of Idaho expect it.

DFM will begin the process of re-publishing existing rules by IDAPA chapter, using the engrossed rules updated for 2019 legislative action. Rules will be published as both temporary and proposed rules concurrently in a special edition of the Idaho Administrative Bulletin in June 2019. The temporary rules will have an effective date of June 30, 2019 to ensure there is no gap with the expiring rules.

Given that many agencies have already identified IDAPA rules they intend to eliminate as part of the Red Tape Reduction Act, agencies have two pathways to move forward:

1. Allow Rule to Expire

If an agency intends to eliminate a rule, the rule will expire by default on July 1, 2019. No ARRF is needed and no legislative review of the chapter will occur during the 2020 session. DFM will count the elimination of the chapter toward the "bank" agencies are accumulating under the Red Tape Reduction Act. Agencies must submit an email to Adam Latham (Adam.Latham@dfm.idaho.gov) identifying the rules they intend to let expire no later than **May 10, 2019**. Agencies should include a brief explanation of why they are proposing to eliminate the rules. The Governor's office will review each rule that an agency proposes to let expire and the Governor will make the final decision whether to promulgate each rule as temporary and proposed.

2. Re-Authorize Rule by July 1, 2019

If an agency intends to re-authorize a rule, several action steps will be necessary to publish the temporary and proposed rules in the June 2019 Bulletin:

- Agencies must submit a completed Notice of Omnibus Rulemaking form and separately a Notice of Omnibus Fee Rulemaking form to DFM no later than **May 10, 2019**.

- a. Templates for each Notice are enclosed.
 - b. One of each Notice is needed per agency.
 - c. Please submit completed Notices to Adam Latham (Adam.Latham@dfm.idaho.gov)
 - d. If rulemaking authority is vested in a board or commission – not agency staff – the board or commission must convene to properly authorize the Notice. This is required by law. Please work closely with your attorney to ensure the Notice is properly authorized.
 - e. No ARRF will be required.
- It is crucial that each agency carefully and thoroughly complete each Notice and closely follow the requirements of the Idaho Administrative Procedure Act, Chapter 52, Title 67, Idaho Code.
 - Questions regarding the Notice and the process should be directed to Alex Adams (Alex.Adams@dfm.idaho.gov; 208-334-3900).
 - Agencies must post each Notice published in the Bulletin onto, or be accessible from, the home page of the agency's website so that interested parties can view it online (§67-5221(3)). This will need to occur in June on or around when the special Bulletin publishes.
 - Agencies must accept written comments on the proposed rules for 21 days pursuant to 67-5222. If comments are received or an oral comment is requested, please contact Adam Latham (Adam.Latham@dfm.idaho.gov) for additional information prior to scheduling the hearing.
 - All rules re-authorized through this process will be subject to legislative review during the 2020 Idaho Legislature, as is the case each year.
 - Each agency must keep all records of this rulemaking process for at least two (2) years pursuant to Idaho Code § 67-5225. Please ensure the record is thorough and complete.

Frequently Asked Questions

Can agencies add rules concurrently with the publication of the re-authorized chapter?

- No, agencies must go through the traditional ARRF process for any new or added rules.
- Only rule expiration can be accomplished via the procedure set out above.

Can agencies add, modify or eliminate rules apart from the re-authorized chapter?

- Yes, agencies will still be permitted to submit ARRFs for new rules or modified rules through the traditional process in 2019.
- When an ARRF is approved by DFM and the Governor's Office, agencies can move forward with publishing in the Bulletin. These rulemaking actions are considered separate, legal rulemaking actions from the re-publishing of the existing rules as temporary and proposed. As such, they will be reviewed by the 2020 Legislature, and those that take effect will be engrossed into the existing rule chapters upon *sine die* in 2020.



Executive Department
State of Idaho

State Capitol
Boise

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2019-02

RED TAPE REDUCTION ACT

WHEREAS, Idaho's strong economic growth is vital to ensuring our citizens and our children are able to find great jobs and raise their families in Idaho; and

WHEREAS, excessive regulation at all levels of government can impose high costs on businesses, inhibit job growth, and impede private sector investment; and

WHEREAS, burdensome regulations continue to be a hardship for many small business owners; and

WHEREAS, Idaho's Administrative Code has grown to 736 chapters, totaling more than 8,200 pages, and containing more than 72,000 restrictions.

NOW, THEREFORE, I, Brad Little, Governor of the State of Idaho, by virtue of the authority vested in me by the Constitution and laws of this state, do hereby order that:

1. *Each executive department of the state of Idaho as set forth in section 67-2402, Idaho Code, including each division, bureau or self-governing agency that has the authority to issue administrative rules shall designate an existing employee of the agency as its Rules Review Officer (RRO) to undertake a critical and comprehensive review of the agency's administrative rules to identify costly, ineffective, or outdated regulations.*
 - a. *Agencies must submit the name and contact information of the RRO to the Division of Financial Management no later than March 1, 2019.*
2. *Through the end of fiscal year 2021, prior to proposing a new rule for publication in the Idaho Administrative Bulletin, each executive department of the state of Idaho as set forth in section 67-2402, Idaho Code, including each division, bureau or self-governing agency, shall submit to the Division of Financial Management:*
 - a. *A business/competitiveness impact statement that identifies the impact the proposed rule will have on individuals and small businesses; and*

- b. *At least two existing rules to be repealed or significantly simplified, or a statement clearly and thoroughly stating why existing rules cannot be simplified or eliminated.*
3. *The Division of Financial Management shall produce an annual report to the Governor's office outlining the progress made in eliminating burdensome regulations and streamlining state government.*



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho at the Capitol in Boise on this 21st day of January, in the year of our Lord two thousand and nineteen.

BRAD LITTLE
GOVERNOR

LAWRENCE DENNEY
SECRETARY OF STATE

IDAPA 20.07.02 Changes / Deletions May 2019

<u>Rule</u>	<u>Statute</u>	<u>Modify or Delete</u>	<u>Approximate Word Count</u>	<u>Restrictive words removed</u>
IDAPA 20.07.02.010.10 - Definitions, Commission	Idaho Code § 47-310(1) - Definitions, Commission	Delete - superseded by statute	12	
IDAPA 20.07.02.010.16 - Definitions, Department	Idaho Code § 47-310(5) - Definitions, Department	Delete - superseded by statute	9	
IDAPA 20.07.02.010.20 - Definitions, Field	Idaho Code § 47-310(8) - Definitions, Field	Delete - superseded by statute	11	
IDAPA 20.07.02.010.32 - Definitions, Oil and Gas	Idaho Code § 47-310(18) - Definitions, Oil and gas	Delete - superseded by statute	8	
IDAPA 20.07.02.010.34 - Definitions, Operator	Idaho Code § 47-310(22) - Definitions, Operator	Delete - superseded by statute	22	
IDAPA 20.07.02.010.35 - Definitions, Owner	Idaho Code § 47-310(23) - Definitions, Owner	Delete - superseded by statute	31	
IDAPA 20.07.02.010.36 - Definitions, Person	Idaho Code § 47-310(24) - Definitions, Person	Delete - superseded by statute	46	
IDAPA 20.07.02.010.39 - Definitions, Pool or Reservoir	Idaho Code § 47-310(25) - Definitions, Pool Idaho Code § 47-310(28) - Definitions, Reservoir	Delete - superseded by statute Delete - superseded by statute	36	
IDAPA 20.07.02.010.42 - Definitions, Producer	Idaho Code § 47-310(27) - Definitions, Producer	Delete - superseded by statute	14	
IDAPA 20.07.02.010.56 - Definitions, Waste as Applied to Oil	Idaho Code § 47-310(33) - Definitions, Waste (as applied to oil)	Delete - superseded by statute	108	
IDAPA 20.07.02.010.57 - Definitions, Waste as Applied to Gas	Idaho Code § 47-310(32) - Definitions, Waste (as applied to gas)	Delete - superseded by statute	96	
IDAPA 20.07.02.110 - Surface Owner Protections	Idaho Code § 47-334 - Use of Surface Land by Owner or Operator	Delete - Section 110 is superseded by Statute	545	7
IDAPA 20.07.02.120 - Well Spacing	Idaho Code § 47-317 - Drilling Locations, § 47-318 - Well Spacing, § 47-319 - Setbacks Idaho Code § 47-328 - Rules for Commission - Administrative Procedures	Delete - Section 120 is superseded by Statute	695	15
IDAPA 20.07.02.130 - Integration	Idaho Code § 47-320 - Integration of Tracts- Orders of Department Idaho Code § 47-328(3) - Rules for Commission - Administrative Procedures	Delete - Section 130 is superseded by Statute	552	7
IDAPA 20.07.02.131 - Integration Orders	Idaho Code § 47-320 - Integration of Tracts- Orders of Department	Delete - Section 131 is superseded by Statute	547	5
IDAPA 20.07.02.140 - Unit Operation Agreements	Idaho Code § 47-321 - Unit Operations Idaho Code § 47-328(3) - Rules for Commission - Administrative Procedures	Delete - Section 140 is superseded by Statute	90	3
IDAPA 20.07.02.400 - Production Reports	Idaho Code § 47-324(1) - Reporting Requirements	Delete - Section 400.02 is superseded by Statute	85	3

IDAPA 20.07.02.402.01 - Measurement of Gas, Gas Metering	Idaho Code § 47-322 - Oil and Gas Metering Systems	Delete - Section 402.01 is superseded by Statute	95	1
IDAPA 20.07.02.410.02 - Meters, Meter Calibration	Idaho Code § 47-322(3) - Oil and Gas Metering Systems	Delete - Section 410.02 is superseded by Statute	62	5
IDAPA 20.07.02.420.01 - Tank Batteries, Location	Idaho Code § 47-319 - Setbacks	Delete Section 420.01 is superseded by Statute	100	0
IDAPA 20.07.02.430.01 - Gas Processing Facilities, Location	Idaho Code § 47-319 - Setbacks	Delete Section 430.01 is superseded by Statute	106	0
IDAPA 20.07.02.430.06 - Gas Processing Facilities, Reports	Idaho Code § 47-324(1)(c) - Reporting Requirements - Gas Processing Plant Report	Delete - Section 430.06 is superseded by Statute	48	1
note: as per DFM restrictive words include: shall, must, may not, prohibited and required			APRX. TOTAL	3,318
				47

**IDAPA 20
TITLE 07
CHAPTER 02**

**20.07.02 – RULES GOVERNING CONSERVATION OF OIL AND NATURAL GAS
IN THE STATE OF IDAHO**

SUBCHAPTER A - GENERAL PROVISIONS

000. LEGAL AUTHORITY.

This Chapter is adopted under the legal authorities of Title 47, Chapter 3, Idaho Code; and Title 67, Chapter 52, Idaho Code. (4-11-15)

001. TITLE AND SCOPE.

01. Title. These rules shall be cited as IDAPA 20.07.02, “Rules Governing Conservation of Oil and Natural Gas in the State of Idaho.” (3-29-12)

02. Scope. These rules apply to the exploration and extraction of any and all crude oil and natural gas resources in the state of Idaho, not including biogas, manufactured gas, or landfill gas, regardless of ownership. (3-29-12)

03. Other Laws. Owners or operators engaged in the exploration and extraction of crude oil and natural gas resources shall comply with all applicable laws and rules of the state of Idaho including, but not limited to the following: (3-29-12)

a. Idaho water quality standards and waste water treatment requirements established in Title 39, Chapter 1, Idaho Code; IDAPA 58.01.02, “Water Quality Standards”; IDAPA 58.01.16, “Wastewater Rules”; and IDAPA 58.01.11, “Ground Water Quality Rule,” administered by the IDEQ. (3-29-12)

b. Idaho air quality standards established in Title 39, Chapter 1, Idaho Code and IDAPA 58.01.01 “Rules for the Control of Air Pollution in Idaho,” administered by the IDEQ. (3-29-12)

c. Requirements and procedures for hazardous and solid waste management, as established in Title 39, Chapter 44, Idaho Code, and rules promulgated thereunder including IDAPA 58.01.05, “Rules and Standards for Hazardous Waste”; IDAPA 58.01.06, “Solid Waste Management Rules”; and IDAPA 58.01.10, “Rules Regulating the Disposal of Radioactive Materials Not Regulated Under the Atomic Energy Act of 1954, As Amended,” administered by the IDEQ. (3-29-12)

d. Idaho Stream Channel Protection Act, Title 42, Chapter 38, Idaho Code, and rules promulgated thereunder including IDAPA 37.03.07, “Stream Channel Alteration Rules,” administered by the IDWR. (3-29-12)

e. Injection Well Act, Title 42, Chapter 39, Idaho Code and rules promulgated thereunder including IDAPA 37.03.03, “Rules and Minimum Standards for the Construction and Use of Injection Wells,” administered by the IDWR. (3-29-12)

f. Department of Water Resources – Water Resource Board Act, Title 42, Chapter 17, Idaho Code and rules promulgated thereunder including IDAPA 37.03.06, “Safety of Dams Rules,” administered by the IDWR. (3-29-12)

002. WRITTEN INTERPRETATIONS.

The Idaho Department of Lands maintains written interpretations of its rules which may include, but may not be

limited to, written procedures manuals and operations manuals and other written guidance which pertain to the interpretation of the rules of this chapter. Copies of the procedures manuals and operations manuals and other written interpretations, if applicable, are available for public inspection and copying at the director's office of the Idaho Department of Lands, 300 North 6th Street, Suite 103, Boise, Idaho. (3-29-12)

003. ADMINISTRATIVE APPEALS.

Any person aggrieved by any final decision or order of the Commission shall be entitled to judicial review pursuant to the provisions of Title 67, Chapter 52, Idaho Code, Title 47, Chapter 3, Idaho Code, and IDAPA 20.07.01, "Rules of Practice and Procedure before the Idaho Oil and Gas Conservation Commission." (4-11-15)

004. INCORPORATION BY REFERENCE.

The following documents are incorporated by reference into these rules: (3-29-12)

01. API Bulletin E3, Well Abandonment and Inactive Well Practices for U.S. Exploration and Production Operations, Environmental Guidance Document. 1st Edition, January 1993 and Reaffirmed June 2000 available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103. (3-29-12)

02. API SPEC 5CT, Specifications for Casing and Tubing. The 8th edition dated July, 1, 2005 and the amendments dated March, 31, 2006 and April, 7, 2006 are available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103. (3-29-12)

03. API SPEC 10a, Specification for Cements and Materials for Well Cementing. The 24th Edition dated December, 2010 is available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103. (3-29-12)

04. ASTM D698-07e1, Standard Test Methods for Laboratory Compaction Characteristics of Soil Using Standard Effort (12,400 ft-lbf/ft³ (600 kN-m/m³)). 2007 revision. Available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103. (3-29-12)

05. ASTM D1250-08, Standard Guide for Use of the Petroleum Measurement Tables. 2008 revision. Available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103. (3-29-12)

06. ASTM D1557-09, Standard Test Methods for Laboratory Compaction Characteristics of Soil Using Modified Effort (56,000 ft-lbf/ft³ (2,700 kN-m/m³)). 2009 revision. Available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103. (3-29-12)

07. EPA SW-846 Method 9090A, Compatibility Test for Wastes and Membrane Liners. Revision 1, July 1992. Available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103 and this website: <http://www.epa.gov/osw/hazard/testmethods/sw846/pdfs/9090a.pdf>. (3-29-12)

08. OSHA Standard 1910.1200 (Hazard Communication). Last revised 1996. Available at the office of the Idaho Department of Lands at 300 North 6th Street, Suite 103 and this website: http://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=standards&p_id=10099. (3-29-12)

005. OFFICE – OFFICE HOURS – MAILING ADDRESS AND STREET ADDRESS.

The principal place of business of the Idaho Department of Lands is 300 North 6th Street, Suite 103, Boise, Idaho and it is open from 8 a.m. to 5 p.m., Monday through Friday, except legal holidays. The mailing address is: Idaho Department of Lands, P.O. Box 83720, Boise, Idaho 83720-0050. The telephone number of the office is (208) 334-0200 and the fax number is (208) 334-2339. (3-29-12)

006. PUBLIC RECORDS ACT COMPLIANCE.

All records relating to this chapter are public records except to the extent such records are by law exempt from disclosure. Information obtained by the Department under these rules is subject to public disclosure pursuant to the provisions of Title 74, Chapter 1, Idaho Code. Upon request in any application or material submitted to the Department, confidentiality protection shall be provided for information by law exempt from disclosure, and only those parts of an application or other materials that are by law exempt from disclosure can be held as confidential.

(4-11-15)

007. -- 009. (RESERVED)

010. DEFINITIONS.

- 01. Act.** The Idaho Oil and Gas Conservation Act, Title 47, Chapter 3, Idaho Code. (10-21-92)
- 02. Active Well.** A permitted well used for production, disposal, or injection that is not idled for more than twenty-four (24) continuous months. (3-29-12)
- 03. Barrel.** Forty-two (42) U. S. gallons at sixty (60) Degrees F at atmospheric pressure. (10-21-92)
- 04. Blowout.** An unplanned sudden or violent escape of fluids from a well. (3-29-12)
- 05. Blowout Preventer.** A casinghead control equipped with special gates or rams that can be closed and sealed around the drill pipe, or that otherwise completely closes the top of the casing. (4-11-15)
- 06. Bonus Payment.** Monetary consideration that is paid by the lessee to the lessor for the execution of an oil and gas lease. (4-11-15)
- 07. Casing Pressure.** The pressure within the casing or between the casing, tubing, or drill pipe. (3-29-12)
- 08. Casinghead.** A metal flange attached to the top of the conductor pipe that is the primary interface for the diverter system during drilling out for surface casing. (3-29-12)
- 09. Casinghead Gas.** Any gas or vapor, or both, indigenous to an oil stratum and produced from such stratum with oil. (3-29-12)
- ~~**10. Commission.** The Oil and Gas Conservation Commission of the state of Idaho. (10-21-92)~~
- 11. Common Source of Supply.** The geographical area or horizon definitely separated from any other such area or horizon and which contains, or from competent evidence appears to contain, a common accumulation of oil or gas or both. Any oil or gas field or part thereof which comprises and includes any area which is underlaid, or which from geological or other scientific data or experiments or from drilling operations or other evidence appears to be underlaid by a common pool or accumulation of oil or gas or both oil and gas. (3-29-12)
- 12. Completion.** An oil well shall be considered completed when the first new oil is produced through wellhead equipment into lease tanks from the ultimate producing interval after the production casing has been run. A gas well shall be considered completed when the well is capable of producing gas through wellhead equipment from the ultimate producing zone after the production casing has been run. (3-29-12)
- 13. Conductor Pipe.** The first and largest diameter string of casing to be installed in a well. This casing extends from land surface to a depth great enough to keep surface waters from entering and loose earth from falling in the hole and to provide anchorage for the diverter system prior to setting surface casing. (3-29-12)
- 14. Cubic Foot of Gas.** The volume of gas contained in one (1) cubic foot of space at a standard pressure base and a standard temperature base. The standard pressure base shall be fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and the standard temperature base shall be sixty (60) Degrees F. (3-29-12)
- 15. Day.** A period of twenty-four (24) consecutive hours from 8 a.m. one day to 8 a.m. the following day. (3-29-12)
- ~~**16. Department.** The Idaho Department of Lands or its designee. (3-29-12)~~

17. **Development.** Any work which actively promotes bringing in production. (10-21-92)
18. **Director.** The head of the Idaho Department of Lands and secretary to the Oil and Gas Conservation Commission, or his designee. (3-29-12)
19. **Drilling Logs.** The recorded description of the lithologic sequence encountered in drilling a well, and any electric, gamma ray, geophysical, or other logging done in the hole. (3-29-12)
- ~~20. **Field.** The general area underlaid by one (1) or more pools. (10-21-92)~~
21. **Fresh Water.** All surface waters and those ground waters that are used, or may be used in the future, for drinking water, agriculture, aquaculture, or industrial purposes other than oil and gas development. The possibility of future use is based on hydrogeologic conditions, water quality, future land use activities, and social/economic considerations. (3-29-12)
22. **Gas-Oil Ratio.** The volume of gas produced in standard cubic feet to each barrel of oil or condensate produced concurrently during any stated period. (3-29-12)
23. **Gas Processing Facility.** A facility that conditions liquids or gas by compression, dehydration, refrigeration, or by other means. (4-11-15)
24. **Gas Well.** (10-21-92)
- a. A well which produces primarily natural gas; (3-29-12)
- b. Any well capable of producing gas in commercial quantities and also producing oil from the same common source of supply but not in commercial quantities; or (10-21-92)
- c. Any well classed as a gas well by the Commission for any reason. (10-21-92)
25. **Geophysical or Seismic Operations.** Any geophysical method performed on the surface of the land utilizing certain instruments operating under the laws of physics respecting vibration or sound to determine conditions below the surface of the earth that may contain oil or gas and is inclusive of, but not limited to, the preliminary line survey, the acquisition of necessary permits, the selection and marking of shot-hole locations, necessary clearing of vegetation, shot-hole drilling, implantation of charge, placement of geophones, detonation and backfill of shot-holes, and vibroseis. (3-29-12)
26. **Hydraulic Fracturing, or Fracing.** A method of stimulating or increasing the recovery of hydrocarbons by perforating the production casing and injecting fluids or gels into the potential target reservoir at pressures greater than the existing fracture gradient in the target reservoir. (3-29-12)
27. **Inactive Well.** An unplugged well that has no reported production, disposal, injection, or other permitted activity for a period of greater than twenty-four (24) continuous months, and for which no extension has been granted. (3-29-12)
28. **Intermediate Casing.** The casing installed within the well to seal intermediate zones above the anticipated bottom hole depth. The casing is generally set in place after the surface casing and before the production casing. (3-29-12)
29. **Junk.** Debris in a hole that impedes drilling or completion. (3-29-12)
30. **Lease.** A tract(s) of land which by virtue of an oil and gas lease, fee or mineral ownership, a drilling, pooling or other agreement, a rule, regulation or order of a governmental authority, or otherwise constitutes a single tract or leasehold estate for the purpose of the development or operation thereof for oil or gas or both. (10-21-92)

- 31. Mechanical Integrity Test.** A test designed to determine if there is a significant leak in the casing, tubing, or packer of a well. (3-29-12)
- ~~**32. Oil and Gas.** Oil or gas or both. (10-21-92)~~
- 33. Oil Well.** Any well capable of primarily producing oil in paying quantities, but not a gas well. (3-29-12)
- ~~**34. Operator.** Any duly authorized person who is in charge of the development of a lease or the operation of a producing well. (10-21-92)~~
- ~~**35. Owner.** The person who has the right to drill into and produce from a pool and to appropriate the oil or gas that produces there from either for himself and/or others. (10-21-92)~~
- ~~**36. Person.** Any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any government or any political subdivision or any agency thereof. The masculine gender, in referring to a person, includes the feminine and the neuter gender. (10-21-92)~~
- 37. Pit.** Any excavated or constructed depression or reservoir used to contain reserve, drilling, well treatment, produced water, or other fluids at the drill site. This does not include enclosed, mobile, or portable tanks used to contain fluids. (3-29-12)
- 38. Pollution.** Constituents of oil, gas, salt water, or other materials used in oil and gas extraction, occurring in fresh water supplies at levels that exceed the standards in IDAPA 58.01.02, "Water Quality Standards," and IDAPA 58.01.11, "Ground Water Quality Rules," as the result of the drilling, casing, treating, operation or plugging of wells. (3-29-12)
- ~~**39. Pool or Reservoir.** An underground reservoir containing a common accumulation of oil or gas or both; each zone of a structure that is completely separated from any other zone in the same structure is a pool. (3-29-12)~~
- 40. Pressure Maintenance.** The injection of gas, water, or other fluids into oil or gas reservoirs to maintain pressure or retard pressure decline in the reservoir for the purpose of increasing the recovery of oil or other hydrocarbons therefrom. (10-21-92)
- 41. Produced Water.** Water that is produced along with oil or gas. (3-29-12)
- ~~**42. Producer.** The owner of a well(s) capable of producing oil or gas or both. (10-21-92)~~
- 43. Production Casing.** The casing set across the reservoir interval and within which the primary completion components are installed. (3-29-12)
- 44. Proppant.** Sand or other materials used in hydraulic fracturing to prop open fractures. (3-29-12)
- 45. Release.** Any unauthorized spilling, leaking, emitting, discharging, escaping, leaching, or disposing into soil, ground water, or surface water. (3-29-12)
- 46. Spud.** To start the drilling process by removing rock, dirt, and other sedimentary material with the drill bit. (4-11-15)
- 47. Surface Casing.** The first casing which is run after the conductor pipe to anchor blow out prevention equipment and to seal out fresh water zones. (3-29-12)
- 48. Surface Water.** Rivers, streams, lakes, and springs when flowing in their natural channels.

(4-11-15)

49. Systems Approach. The disclosure of chemical information by chemical abstract service name only, without disclosing component percentages or chemical relationships. (4-11-15)

50. Tank. A concrete, metal, or plastic stationary vessel used to contain fluids. (4-11-15)

51. Tank Battery. One (1) or more tanks that are connected to receive crude oil, condensate, or produced waters from a well(s) and which serves as the point of collection and disbursement of oil or gas from a well(s). (4-11-15)

52. Tank Dike. An impermeable man-made structure constructed around a tank to contain leakage from the tank. (4-11-15)

53. Tubing. Pipe used inside the production casing to convey oil or gas from the producing interval to the surface. (3-29-12)

54. Volatile Organic Compound. Organic chemical compounds whose composition makes it possible for them to evaporate under normal indoor atmospheric conditions of sixty-eight (68) degrees F and an absolute pressure of fourteen point seven (14.7) psi atmospheric. (3-29-12)

55. Waterflooding. The injection into a reservoir through one (1) or more wells with volumes of water for the purpose of increasing the recovery of oil therefrom. (3-29-12)

~~**56. Waste as Applied to Oil.** Underground waste; inefficient, excessive, improper use, or dissipation of reservoir energy, including gas energy and water drive; surface waste, open pit storage, and waste incident to the production of oil in excess of the producer's above-ground storage facilities and lease and contractual requirements, but excluding storage (other than open pit storage) reasonably necessary for building up and maintaining crude stocks and products thereof for consumption, use, and sale; the locating, drilling, equipping, operating, or producing of any well in a manner that causes, or tends to cause, reduction of the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations. (10-21-92)~~

~~**57. Waste as Applied to Gas.** The escape, blowing or releasing, directly or indirectly, into the open air of gas from wells productive of gas only, or gas in an excessive or unreasonable amount from wells producing oil or both oil and gas; and the production of gas in quantities or in such manner as will unreasonably reduce reservoir pressure or unreasonably diminish the quantity of oil or gas that might ultimately be produced; excepting gas that is reasonably necessary in the drilling, completing, and testing of wells and in furnishing power for the production of wells. (10-21-92)~~

58. Well Report. The written record progressively describing the strata, water, oil, or gas encountered in drilling a well with such additional information as to give volumes, pressures, rate of fill-up, water depths, casing strata, casing record, etc., as is usually recorded in normal procedure of drilling; also, it includes electrical radioactivity, or other similar logs run, lithologic description of all cores, and all drill-stem tests, including depth-tested, cushion-used, time tool open, flowing and shut-in pressures and recoveries. (3-29-12)

59. Well Site. The areas that are directly disturbed during the drilling and subsequent operation of, or affected by production facilities directly associated with, any oil well, gas well, or injection well, and its associated well pad. (4-11-15)

60. Well Treatment. Actions performed on a well to acidize, fracture, or stimulate the target reservoir. (3-29-12)

61. Wildcat Well. An exploratory well drilled in an area of unknown subsurface conditions. (3-29-12)

011. ABBREVIATIONS.

- 01. **API.** American Petroleum Institute. (3-29-12)
- 02. **ASTM.** American Society for Testing and Materials. (3-29-12)
- 03. **BBL.** Oilfield Barrel. (4-11-15)
- 04. **BOP.** Blowout Preventer. (3-29-12)
- 05. **CAS.** Chemical Abstracts Service. (3-29-12)
- 06. **EPA.** United States Environmental Protection Agency. (3-29-12)
- 07. **F.** Fahrenheit. (3-29-12)
- 08. **GPS.** Global Positioning System. (3-29-12)
- 09. **HDPE.** High Density Polyethylene. (3-29-12)
- 10. **IDAPA.** Idaho Administrative Procedure Act. (3-29-12)
- 11. **IDEQ.** Idaho Department of Environmental Quality. (3-29-12)
- 12. **IDWR.** Idaho Department of Water Resources. (3-29-12)
- 13. **MCF.** One thousand cubic foot. (4-11-15)
- 14. **MSDS.** Material Safety Data Sheet. (3-29-12)
- 15. **OSHA.** Occupational Safety & Health Administration. (3-29-12)
- 16. **PSI.** Pounds per Square Inch. (3-29-12)
- 17. **PVC.** Polyvinyl Chloride. (4-11-15)

012. -- 014. **(RESERVED)**

015. PROTECTION OF CORRELATIVE RIGHTS.

The Commission and the Department should afford a reasonable opportunity to each person entitled thereto to recover or receive the oil or gas in such person’s tract(s) or the equivalent thereof, without being required to drill unnecessary wells or to incur other unnecessary expense to recover or receive such oil or gas or its equivalent.

(3-29-12)

016. -- 019. **(RESERVED)**

020. APPLICABILITY.

01. Oil and Gas Development. These rules apply to oil and gas development and carry out the Commission’s duty to prevent waste, protect correlative rights, and prevent pollution of fresh water supplies through activities authorized by these rules. (3-29-12)

02. Exclusions. These rules do not apply to the exploration and development of other mineral resources covered by Title 47, Chapter 13, Idaho Code; Title 47, Chapter 15, Idaho Code; or Title 42, Chapter 40, Idaho Code. (3-29-12)

021. CLASS II INJECTION WELLS.

Class II injection wells, as described in IDAPA 37.03.03, “Rules and Minimum Standards for the Construction and

Use of Injection Wells,” are currently not authorized under this rule. Permits for Class II injection wells must be obtained through IDAPA 37.03.03. (3-29-12)

022. -- 029. (RESERVED)

030. NOTICES - GENERAL.

01. Written Authorization Required. Any written notice of intention to do work or to change plans previously approved must be filed with the Department, unless otherwise directed, and must be approved before the work is begun. Such approval may be given orally and, if so given, shall thereafter be confirmed by the Department in writing. Written notices may be submitted to the Department by e-mail or facsimile. (4-11-15)

02. Emergency Authorization. In case of emergency, or a situation where operations might be unduly delayed, any written notice required by these rules and regulations to be given the Department may be given orally or by wire and if approval is obtained, the transaction shall be confirmed in writing, as a matter of record. (3-29-12)

03. Publication of Legal Notices. Whenever these rules require a legal notice to be published in a newspaper, the notice must be published once a week for two (2) consecutive weeks. (4-11-15)

031. FORMS.

The Department shall adopt such forms of notices, requests, permits, and reports as it may deem advisable or necessary in carrying out the provisions of law and its rules and regulations. (4-11-15)

032. ORGANIZATION REPORTS.

01. Required Content. Before any person engages in any activity covered by the statutes and rules of the Commission, that person must file an organization report with the Department. The organization report must include the following information: (4-11-15)

- a. The person’s name and the type of the business being operated or conducted; (4-11-15)
- b. The mailing address to which all correspondence from the Department is to be sent; (4-11-15)
- c. The telephone number(s), facsimile number(s), and e-mail address(es) for which contact by the Department may be made; (4-11-15)
- d. The names of persons authorized to submit required forms, reports, and other documents to the Department; and (4-11-15)
- e. If a legal entity, proof the person is authorized to transact business within the state. (4-11-15)

02. Updates. A supplementary report must be filed with the Department within thirty (30) days of any change to facts stated in a previously-filed organization report. (4-11-15)

033. DESIGNATION OF AGENT.

A “Designation of Agent” shall be submitted to the Department in a manner and form approved by the Department prior to the commencement of operations. A Designation of Agent(s) will be accepted as authority of agent to fulfill the obligations of the owner and to sign any papers or reports required under these oil and gas operating regulations, and all authorized orders or notices given by the Department when given in the manner hereinafter provided shall be deemed service of such orders or notices upon the owner and the lessee. All changes of address and any termination of the agent’s authority shall be immediately reported in writing to the Department and, in the latter case, the designation of a new agent(s) shall be immediately made. If the designated agent(s) shall at any time be incapacitated for duty or absent from the address provided, the owner shall designate in writing a substitute to serve in his or their stead, and in the absence of such owner or of notice of appointment of a substitute then, in such case, notices may be given by the Department by delivering a registered letter to the United States Post Office at Boise,

Idaho, directed to the agent(s) at the address shown on the current Designation of Agent on file in the Department's office, and such notice will be deemed service upon the owner and lessee. (3-29-12)

034. -- 039. (RESERVED)

040. PUBLIC COMMENT.

Applications submitted under Sections 100, 200, 210, 230 and 330 of these rules will be posted on the Department's website for a fifteen-day (15) written comment period. The Department will also send an electronic copy of the application to the respective county, and city if applicable, where the proposed operation is located. The purpose of the comment period is to receive written comments on whether a proposed application complies with these rules. These comments will be considered by the Department prior to permit approval or denial. Relevant comments will be posted on the Department's website following the comment period. (4-11-15)

041. -- 049. (RESERVED)

050. ENFORCEMENT.

The Department shall enforce these rules pursuant to Section 47-325, Idaho Code. (3-29-12)

051. -- 099. (RESERVED)

SUBCHAPTER B - EXPLORATION AND DEVELOPMENT

100. GEOPHYSICAL OPERATIONS.

01. Permit Required. Before beginning seismic operations in the state of Idaho, a representative of the client company and the seismic contractor shall meet with the staff of the Department, file an application for a permit to conduct seismic operations, and pay an application fee. No seismic operation shall be conducted without such a permit. The Department has discretion to waive the requirement of the pre-permit meeting for the client company. The permit for seismic operations may be revoked or suspended or the application for the permit denied by the Department for failure to comply with the Commission's rules, statutes, and orders. The Department may revoke, suspend, or deny the application for a seismic permit without a hearing; provided that the seismic contractor shall be given an opportunity for a hearing at the next regularly scheduled Commission meeting. The fact that a permit is revoked or suspended does not excuse the seismic contractor or client company from properly plugging existing seismic holes but does prohibit the person(s) from drilling any more. The application for a permit for seismic operations must include: (3-29-12)

a. The proposed route of the seismic line on a topographic or recent air photo base map at a sufficient scale to show roads, buildings, surface waters, and Section, Township, and Range lines. The map must also show additional area as needed for any alternative routing. The alternative routing must be within at least one-half (1/2) mile of the proposed route. Reapplication must be made if the final route strays from the proposed route and outside the designated alternative routing areas; and (3-29-12)

b. The energy sources proposed to be used for the seismic operation, such as vibroseis, shot holes, surface shot, or others. (3-29-12)

c. The approximate number, depth, and location of the seismic holes and the size of the explosive charges. The application shall be accompanied by a map with a scale of one inch equaling two (2) miles that shows the depth and location of the shotholes. (10-21-92)

d. The name and permanent address of the client company the Department may contact about the seismic operation. (3-29-12)

e. The name, permanent address, and phone number of the seismic contractor and his local representative whom the Department may contact about the seismic activity. (3-29-12)

f. The name, phone number, and permanent address of the hole plugging contractor, if different from

the seismic contractor. (10-21-92)

g. A detailed description of the hole plugging procedures, and a description of the surface reclamation procedures, if such reclamation is needed. (3-29-12)

h. The anticipated starting date of seismic operations. (3-29-12)

i. The anticipated completion date of seismic operations, and the anticipated date of any required reclamation or hole plugging. (3-29-12)

j. A description of the identifying mark that will be on the hat or nonmetallic plug to be used in the plugging of the seismic hole. (10-21-92)

02. Operating Requirements. All geophysical operations must comply with the following requirements: (3-29-12)

a. All vehicles utilized by the permit holder, or its agents or contractors, shall be clearly identified by signs or markings utilizing letters or numbers, or a combination thereof, a minimum of three (3) inches in height and one-half (1/2) inch wide, indicating the name of such agent. (3-29-12)

b. No seismic source generation from vibroseis, shot holes, surface shot, or other method shall be conducted within two hundred (200) feet of any residence, water well, oil well, gas well, injection well or other structure without having first secured the express written authority of the owner(s) thereof and the permit holder shall be responsible for any resulting damages. (3-29-12)

c. Written authority from the owner of a residence, water well, oil well, gas well, injection well or other structure must also be obtained from the owner(s) if any explosive charge exceeds the maximum allowable charge within the scaled distance below:

DISTANCE TO STRUCTURE (Feet)*	MAXIMUM ALLOWABLE CHARGE WEIGHTS (Pounds)*
50	0.5
100	2.0
150	4.5
200	8.0
250	12.0
300	18.0
350	25.0
* Based upon a charge weight of seventy (70) Foot/Pound ^{1/2}	

(3-29-12)

d. The maximum allowable charge weight is twenty-five (25) pounds, unless the permit holder requests and secures the prior written authorization from the Department. (3-29-12)

e. All seismic sources placed for detonation shall contain additives to accelerate the biodegradation thereof and shall be handled with due care in accordance with industry standards. The cap leads for any seismic sources that fail to detonate shall be buried at least three (3) feet deep. (3-29-12)

f. All vegetation cleared to the ground shall be cleared in a competent and workmanlike manner in the exercise of due care. (3-29-12)

g. Unless otherwise consented to by the surface owner in writing, permit holder shall not cut down any tree measuring six (6) inches or more in diameter, as measured at a height of three (3) feet from the ground surface, unless there are no reasonable alternatives to the removal of such tree(s) available to permit holder. Permit holder shall compensate surface owner the value of all such trees. (3-29-12)

h. All excessive rutting or soil disturbances shall be repaired or restored to the original condition and contour to the extent reasonable, unless otherwise agreed to by the permit holder and the surface owner in writing. (3-29-12)

i. All fences removed shall be replaced, unless otherwise agreed to by the permit holder and the surface owner in writing. (3-29-12)

j. All debris associated with the seismic activity shall be removed and properly disposed. (3-29-12)

03. Bond Required. (3-29-12)

a. Before beginning geophysical operations, the geophysical contractor must file and have approved by the Department a bond in the amount of at least ten thousand dollars (\$10,000). The Department may increase this bonding requirement for geophysical contractors based on the amount of potential damage from the contemplated operation. The condition of such bond shall comply with the Act, the rules and orders of the Commission, and orders of the Department. The obligation of the bond shall not be discharged until one (1) year from completion of the survey or until the geophysical contractor has complied with the Oil and Gas Conservation Law, the Commission's rules, and the orders of the Commission and the Department. (3-29-12)

b. Persons or other entities who engage in the plugging of seismic holes and are not a regular full-time employee of the seismic company, owner, or operator shall have posted with the director a surety bond in favor of the Department. Said bond shall be on a form prescribed by the Department and in the amount of five thousand dollars (\$5,000). The condition of the bond shall comply with the Oil and Gas Conservation Law and the regulations and orders of the Commission and the Department. (3-29-12)

04. Newspaper Notice. Before a geophysical contractor conducts the geophysical operation, the contractor shall publish a legal notice in a newspaper of general circulation in the county where the survey will be conducted. The notice shall state the nature and approximate time period of the seismic operations. These requirements do not apply to operations conducted within a well or conducted by aerial surveys. (3-29-12)

05. Owner and Occupant Notification. No entry shall be made by any person to conduct seismic operations, upon the lands where such seismic operations are to be conducted, without the permit holder having first given notice at least thirty (30) calendar days prior to commencement of field seismic operations. (3-29-12)

a. The notice shall be in writing and given either personally or by certified United States mail to the following persons: (3-29-12)

i. Surface owners reflected in the tax records of the counties where the lands are located, at the mailing addresses identified for such surface owners in such records; (3-29-12)

ii. Occupants residing on the lands who are not the surface owners, if it can be reasonably ascertained that there are such occupants; and (3-29-12)

iii. Owners or operators of oil and gas wells within the seismic survey area, as reflected in Department records. (3-29-12)

b. The notice shall contain the following: (3-29-12)

- i. Name of the person or entity that is conducting the seismic operations; (3-29-12)
- ii. Proposed location of the seismic operations; and (3-29-12)
- iii. Approximate date the person or entity proposes to commence seismic operations. (3-29-12)

06. Department Notifications. (3-29-12)

a. The permit holder shall also notify the Department within five (5) business days of the commencement and completion of each seismic operation. (3-29-12)

b. Before beginning geophysical operations other than seismic operations, the geophysical contractor shall file a notice of intention to do so with the Department. Said notice shall describe the geophysical method to be used and be accompanied by a map of a scale of one (1) inch equals two (2) miles showing the location of the project. (3-29-12)

07. Reports and Notices Required. (10-21-92)

a. Activity Report. Upon completion of the seismic activity or at thirty (30) day intervals after the work has commenced, whichever occurs first, the seismic contractor shall file with the Department a report of the completion or progress of the seismic project. The final completion report shall be in affidavit form and shall include a seven and one-half (7.5) - or fifteen (15) minute United States Geological Survey topographic quadrangle map (at a scale of one (1) inch equals two thousand (2,000) feet or one (1) inch equals four thousand (4,000) feet that shows section, township, and range) and the location of each survey so that the shotholes and other potential impacts can be easily located. The final completion report shall also include a statement that all work has been performed in compliance with the application for a permit to perform seismic activity, Section 100 of these rules, and permit provisions. Said maps, applications, and reports shall be kept confidential by the Department for a period of one (1) year from the date of receipt, subject to the needs of the Department to use them to enforce these regulations, the Act, and the orders of the Commission or the Department. Also, the owner of the surface of the land may be advised of the location of seismic lines or seismic holes on his land and of the exploration method used. (4-11-15)

b. Plugging Notice. Seismic contractors shall give the Department at least twenty-four (24) hours advance notice of shothole plugging operations, provided that notice of plugging operations planned for Sunday or Monday may be given on the previous Friday. (3-29-12)

08. Client-Contractor Responsibility. The client company may be held responsible along with the seismic contractor for conducting the operation in compliance with the Commission's rules and orders, the Department's orders, and the Act for the seismic contractor's failure to comply with such rules, statutes, and orders. The hats used in the plugging of seismic holes shall be imprinted with the name of the contractor responsible for the plugging of the hole. (3-29-12)

09. Plugging. Unless the seismic contractor can prove to the satisfaction of the Department that another method will provide better protection to ground water and long-term land stability, seismic shothole operations shall be conducted in the following manner: (3-29-12)

a. When water is used in conjunction with the drilling of seismic shotholes and artesian flow is not encountered at the surface, seismic holes are to be filled with a high grade bentonite/water slurry mixture. Said slurry shall have a density that is at least four percent (4%) greater than the density of fresh water; said slurry shall also have a Marsh funnel viscosity of at least sixty (60) seconds per quart. Density and viscosity are to be measured prior to adding cuttings to the slurry. Cuttings not added to the slurry are to be disposed of in accordance with Paragraph 100.09.f. of this rule. Any other suitable plugging material commonly used in the industry may be substituted for the bentonite/water slurry as long as the physical characteristics of said substitute are at least comparable to those of the bentonite/water slurry. Between November 1 and May 1, coarse ground bentonite approved by the Department shall be used as a plugging material. (4-11-15)

b. The hole will be filled with the slurry from the bottom up to a depth of three (3) feet (three (3) feet

below ground level). A nonmetallic plug will be set at this depth of three (3) feet, and the remaining hole will be filled and tamped to the surface with cuttings and native soil. (10-21-92)

c. When drilling with air and nonartesian water is encountered, the hole shall be plugged with the slurry mixture, or coarse ground bentonite, as specified in Paragraph 100.09.a., supra. (4-11-15)

d. When drilling with air only and in completely dry holes, plugging may be accomplished by returning the cuttings to the hole, tamping the returned cuttings to the above-referenced depth of three (3) feet, and setting the permaplug topped with more cuttings and soil as per Paragraph 100.09.b. above. A small mound will be left over the hole for settling allowance. Auger holes twenty (20) feet or less in depth may be plugged in this same manner. (4-11-15)

e. The foregoing seismic holes shall be properly plugged and abandoned as soon as practical after the shot has been fired; however, a shot hole shall not be left unplugged for more than thirty (30) days without approval of the Department. (3-29-12)

f. Any slurry, drilling fluid, or cuttings which are deposited on the surface around the seismic hole will be raked or otherwise spread out to at least within one (1) inch of the surface, so that the growth of the natural grasses or foliage will not be impaired. (10-21-92)

g. The requirements of Paragraphs 100.09.a. through 100.09.f. of this rule may be modified by any reasonable written agreement between the seismic company and the surface owner. (4-11-15)

h. If artesian flow (water flowing at the surface) is encountered in the drilling of any seismic hole, cement will be used to seal off the water flow thereby preventing cross-flow, erosion, and/or contamination of freshwater supplies. Said holes shall be cemented immediately. (3-29-12)

i. After completing the plugging of seismic shot holes and spreading the cuttings as required by this rule, the seismic contractor shall record the GPS location of the seismic hole, and the contractor shall provide the location data to the Department. (3-29-12)

10. Forfeiture of Geophysical Exploration Bond. The Department may forfeit the bond submitted under Subsection 100.03 of this rule upon failure of the owner or operator to conduct the seismic survey and complete reclamation in conformance with Section 100 of this rule. The owner or operator will be given an opportunity to address compliance issues prior to the Department taking action against the bond. (4-11-15)

101. -- 109. (RESERVED)

~~110. — SURFACE OWNER PROTECTIONS.~~

~~01. — Surface Use Agreement. If the mineral estate has been severed from the surface estate where an oil or gas well is to be located, the owner or operator shall attempt a good faith negotiation of a surface use agreement with the surface owner. The surface use agreement must address how the surface owner will be compensated for lost agricultural income and lost value of improvements directly caused by oil and gas exploration and production. The owner or operator may rely on the tax records of the respective county assessor to identify the surface owner. (3-29-12)~~

~~02. — Surface Owner Notification. If a surface use agreement cannot be negotiated, then the owner or operator must notify the surface owner of the intent to drill by certified mail at least sixty (60) days prior to the commencement of surface disturbing activities, unless otherwise agreed to by the surface owner. The notification must include a proposed surface use bond amount, and a copy must be sent to the Department. (3-29-12)~~

~~03. — Surface Owner Objection. If the surface owner disagrees with the owner's or operator's proposed surface use bond amount, the surface owner must send a written objection to the Department within thirty (30) days of receiving the notification from the owner or operator. The objection must contain the owner's or operator's proposed surface use bond amount. Any objection filed will not delay the owner's or operator's proposed~~

~~start of surface disturbing activities. (3 29 12)~~

~~04. **Surface Use Bond.** The minimum surface use bond in all instances with no surface use agreement will be five thousand dollars (\$5,000), and will be paid in cash to the Department. If the surface owner objects to the owner's or operator's proposed bond amount, the Department will determine a surface use bond based on the information received from both the owner or operator and the surface owner. The Department will then request that the owner or operator submit this bond. The Department may issue the permit and authorize the commencement of drilling operations after this bond has been received. The purpose of this bond is to safeguard the surface owner's loss of agricultural income and improvement values pending the results of a hearing on the final bond. (3 29 12)~~

~~05. **Hearing to Determine Surface Use Bond.** When the owner, operator, or surface owner objects to the Department's proposed surface use bond, a hearing will be scheduled as soon as possible to determine the final bond amount. The owner, operator, surface owner, and Department may offer testimony to the hearing officer. The hearing officer will recommend a final bond amount to the Commission. After the Commission's final order, the owner or operator and surface owner will have twenty eight (28) days to file a request for judicial review. (3 29 12)~~

~~06. **Release of Surface Use Bond.** The Department will hold the bond pending either a surface use agreement between the two (2) parties that negates the need for a surface use bond, or reclamation of the surface disturbance. (3 29 12)~~

~~07. **Forfeiture of Surface Use Bond.** The Department may forfeit this bond upon failure of the owner or operator to reclaim the disturbed area in a timely manner, or upon failure of the parties to reach a surface use agreement, upon the completion of drilling operations. (3 29 12)~~

111. -- 119. (RESERVED)

120. WELL SPACING.

~~In the absence of an order by the Commission setting spacing units for a pool, or a unit operation as described in Section 140, the following rules shall apply: (4 11 15)~~

~~01. **Wells Drilled for Oil; Standard Spacing Unit and Well Location.** Every well drilled for oil must be located in the center of a forty (40) acre governmental quarter quarter section, lot or tract, or combination of lots or tracts substantially equivalent thereto as shown by the most recent governmental survey, with a tolerance of two hundred (200) feet in any direction from the center location; provided that no oil well shall be drilled less than nine hundred twenty (920) feet from any other well drilling to or capable of producing oil from the same pool, or no oil well shall be completed in a known pool unless it is located more than nine hundred twenty (920) feet from any other well completed in and capable of producing oil from the same pool. (10 21 92)~~

~~02. **Wells Drilled for Gas; Standard Spacing Unit and Well Location.** Every well drilled for gas must be located on a drilling unit consisting of approximately six hundred forty (640) contiguous surface acres, which shall be one governmental section or lot(s) equivalent thereto, upon which there is not located, and of which no part is attributed to, any other well completed in or drilling to the same pool. In areas not covered by United States Public Land Surveys, such drilling unit shall consist of an area which is: 1) bounded by four (4) sides intersecting at angles of not less than eighty five (85) degrees or more than ninety five (95) degrees; 2) the distance between two (2) points farthest apart thereon shall not exceed eight thousand five hundred (8,500) feet; and 3) shall contain at least six hundred (600) contiguous surface acres. In areas covered by United States Public Land Surveys, such drilling unit shall consist of one governmental section containing not less than six hundred (600) surface acres. A gas well must have a minimum setback of three hundred thirty (330) feet from the governmental section line. (4 11 15)~~

~~03. **Well Locations Adjacent to Spaced Areas.** The Commission shall have the discretion to determine the pattern location of wells adjacent to an area spaced by the Commission, or under application for spacing where there is sufficient evidence to indicate that the pool or reservoir spaced or about to be spaced may extend beyond the boundary of the spacing order or application, and the uniformity of spacing patterns is necessary to insure orderly development of the reservoir pool. (10 21 92)~~

~~04. — Exceptions to Location of Wells and Well Spacing Orders. Upon proper application therefore, the Department may approve, as an administrative matter, an exception to Subsections 120.01 and 120.02 or any order of the Commission establishing well spacing for a pool. The application for an exception shall state fully the reasons why such an exception is necessary or desirable, include the consent of the owners of all drilling units directly or diagonally offsetting the drilling unit for which an exception is requested, and shall be accompanied by a plat showing: (4 11 15)~~

~~a. — The location at which an oil or gas well could be drilled in compliance with Subsections 120.01 or 120.02 or the applicable order; (4 11 15)~~

~~b. — The location at which the applicant requests permission to drill an oil or gas well and the location of the proposed spacing unit; and (4 11 15)~~

~~c. — The location at which oil or gas wells have been drilled or could be drilled, in agreement with Subsections 120.01 or 120.02 or the applicable order, directly or diagonally offsetting the proposed exception. No exception shall prevent any owner or operator from drilling an oil or gas well on adjacent lands, directly or diagonally offsetting the exception, at locations permitted by Subsections 120.01 or 120.02 or any applicable order of the Commission establishing oil or gas well spacing units for the pool involved. (4 11 15)~~

~~05. — Spacing Unit Changes. The Commission will review applications to change the size or shape of spacing units established by Subsections 120.01 or 120.02 of these rules or an order by the Commission. (4 11 15)~~

121. -- 129. (RESERVED)

130. — INTEGRATION.

~~When two (2) or more separately owned tracts or interests are within a spacing unit, the owners of the tracts or interests may voluntarily integrate their tracts or interests for the development and operation of the spacing unit. In the absence of voluntary integration and upon an application by an owner within a spacing unit, the Commission may, either before or after drilling a well, make an order integrating all tracts or interests within the spacing unit for the development and operation of the spacing unit. (4 11 15)~~

~~01. — Integration Application Requirements. Integration applications must be filed with the Commission in hard copy and electronic formats. The application must contain the following information: (4 11 15)~~

~~a. — Name and address of the applicant; (4 11 15)~~

~~b. — Description of the spacing unit to be integrated; (4 11 15)~~

~~c. — Plat of the subject spacing unit identifying the location of the well site, tank battery, gas processing facility, pipelines, roads, and the ownerships of tracts and interests within the spacing unit; (4 11 15)~~

~~d. — A geologic statement explaining the likely presence of hydrocarbons; (4 11 15)~~

~~e. — A statement of the proposed operations for the spacing unit, including the name and address of the proposed operator; (4 11 15)~~

~~f. — A proposed joint operating agreement and a proposed lease form; (4 11 15)~~

~~g. — A list of all mineral interest owners in the spacing unit and a list of the owners to be integrated under the application, including names, addresses, and respective acreages within the spacing unit; (4 11 15)~~

~~h. — Affidavits indicating that at least fifty five percent (55%) of the mineral interest owners in the spacing unit support the integration application by leasing or participating as a working interest owner; (4 11 15)~~

~~i. — An affidavit stating the highest bonus payment paid to leased mineral interest owners prior to filing the integration application; and (4 11 15)~~

~~_____j._____ A resume of efforts documenting the applicant's good faith efforts on at least three (3) separate occasions within a period of time no less than sixty (60) days to inform mineral interest owners of the applicant's intentions to develop the mineral resources in the spacing unit and reach an agreement with owners in the spacing unit. At least one (1) contact must be by certified U.S. mail return receipt requested sent to an owner's last known address. If an owner of a tract cannot be found, the applicant must publish a legal notice in a newspaper in the county where the tract is located. The resume of efforts must show the applicant has exhausted all reasonable efforts to reach an agreement with owners in a spacing unit. (4-11-15)~~

~~_____02._____ **Response to the Application and Hearing.** At the time the integration application is filed with the Commission, the applicant must certify that a copy of the integration application and supporting information was served on all mineral interest owners in the spacing unit to be integrated under the application. The affected mineral interest owners in the spacing unit will have twenty one (21) days from the date of service of the application to file a response to the application with the Commission. The Commission will schedule a hearing on the application for integration. The applicant will give notice of the hearing to all mineral interest owners in the unit to be integrated under the application in the manner required by Section 47-324(b), Idaho Code. (4-11-15)~~

~~131._____ **INTEGRATION ORDERS.**~~

~~The Commission will issue an integration order if the Commission approves an application for integration. The integration order will authorize the drilling and operation of a well in a spacing unit, prescribe the time and manner in which all owners in the spacing unit may elect to participate therein, and prescribe the manner for the payment of the costs of drilling and operating the well upon terms that are just and reasonable pursuant to Section 47-322, Idaho Code. (4-11-15)~~

~~_____01._____ **Participation Terms.** Upon issuance of an integration order by the Commission, the operator of the integrated spacing unit must issue an elections form to all non-leased owners in the spacing unit by certified U.S. mail, return receipt requested. The election form must clearly identify the participation terms, the course of action if an owner does not respond to the election form, and a response deadline. The terms in Subsections 131.02, 03, and 04 of these rules are available to non-leased owners in an integrated spacing unit. (4-11-15)~~

~~_____02._____ **Working Interest Owner.** An owner who elects to participate as a working interest owner will pay the proportionate share of the actual costs of drilling and operating a well allocated to the owner's interest in the spacing unit. Prior to the drilling operations, working interest owners who share in the costs of drilling and operating the well are entitled to their respective shares of the production of the well. The operator of the integrated spacing unit and working interest owners must enter into a joint operating agreement approved by the Commission in the integration order. (4-11-15)~~

~~_____03._____ **Nonconsenting Working Interest Owner.** An owner who refuses to share in the risk and actual costs of drilling and operating the well is a nonconsenting working interest owner. Nonconsenting working interest owners are entitled to their respective shares of the production of the well, not to exceed one eighth (1/8) royalty, until the operator of the integrated spacing unit has recovered up to three hundred percent (300%) of the nonconsenting working interest owner's share of the cost of drilling and operating the well under the terms set forth in the integration order. After all the costs have been recovered by the consenting owners in the spacing unit, the nonconsenting owner owns the proportionate share in the well, surface facilities, and production, and will be liable for further costs as if the nonconsenting owner had originally agreed to pay the costs of drilling and operating the well. The operator of the integrated spacing unit and nonconsenting working interest owners must enter into a joint operating agreement approved by the Commission in the integration order. (4-11-15)~~

~~_____04._____ **Lease.** An owner may enter into a lease with the operator of the integrated spacing unit under the terms and conditions in the integration order. The owner will receive one eighth (1/8) royalty. The operator of an integrated spacing unit must pay a leasing mineral owner the same bonus payment per acre as the operator originally paid to other owners in the spacing unit prior to the issuance of the integration order. If an owner fails to make an election within the election period set forth in the integration order, such owner's interest will be deemed leased under the terms and conditions in the integration order. (4-11-15)~~

~~132. -- 139. (RESERVED)~~

~~140. UNIT OPERATION AGREEMENTS.~~

~~Any person desiring to obtain the benefits of Section 47-323, Idaho Code, relating to any method of unit, cooperative development, or operation of a field or pool or a part of either, shall file an application with the Department for approval of such agreement which shall have attached a copy of such agreement. Notice of the hearing of such application shall be given by publication of a legal notice in a newspaper of general circulation in Ada County, Idaho, and the county of the unit operation. (4-11-15)~~

141. -- 199. (RESERVED)

SUBCHAPTER C - DRILLING, WELL TREATMENT, AND PIT PERMITS

200. PERMIT TO DRILL, DEEPEN, OR PLUG BACK.

01. Permits Required. Prior to the commencement of operations to drill, deepen, or plug back to any source of supply other than the existing producing horizon, application shall be delivered to the Department of intention to drill, deepen, or plug back any well for oil or gas, and approval obtained. (3-29-12)

02. Fees. An application fee must accompany each application for permit to drill, deepen, or plug back. No service fee is required for a permit to deepen or plug back in a well for which the fee has been paid for permit to drill unless the drilling permit has expired. (3-29-12)

03. Time Required to Commence Operations; Term of Permit. On the first anniversary of the date of issuance of a permit to drill, deepen, or plug back, said permit will expire and be of no further force or effect, unless the work for which the permit was issued has been started. Prior to the anniversary date, the owner or operator may apply for a one-time, six-month extension if work has not started. If conditions have not changed and no changes to the permit are requested, the extension may be approved by the Department. If a permit expires due to the failure to commence operations, then reapplication is required prior to commencing operations. (3-29-12)

04. Application. The Application for Permit to Drill shall include a Department approved form and the following: (3-29-12)

a. An accurate plat showing the location of the proposed well with reference to the nearest lines of an established public survey. (3-29-12)

b. The location of the nearest structure with a water supply, or the nearest water well as shown on the IDWR registry of water rights or well log database. (3-29-12)

c. Information on the type of tools to be used and the proposed logging program. (3-29-12)

d. Proposed total depth to which the well will be drilled, estimated depth to the top of the important geologic markers, and the estimated depth to the top of the target formations. (3-29-12)

e. The proposed casing program, including size and weight thereof, the depth at which each casing type is to be set. (3-29-12)

f. The type and amount of cement to be used, and the intervals cemented. (3-29-12)

g. Information on the drilling plan. (3-29-12)

h. Best management practices to be used for erosion and sediment control. (3-29-12)

i. Plan for interim reclamation of the drill site after the well is completed, and a plan for final reclamation of the drill site following plugging and abandonment of the well. These plans must contain the information needed to implement reclamation as described in Subsection 310.16 and Section 510 of these rules. (4-11-15)

- j. Applications that include the following actions must also provide the information from the respective Section of these rules: (3-29-12)
 - i. Well treatments require the submittal of the information in Section 210. (4-11-15)
 - ii. Pit construction and use requires the submittal of the information in Section 230. (4-11-15)
 - iii. Directional or horizontal drilling requires the submittal of the information in Section 330. (4-11-15)
- k. Any other information which may be required by the Department based on site specific reasons. (3-29-12)
- 05. Permit Denial.** Applications may be denied for the following reasons: (3-29-12)
 - a. Application fee was not submitted. (3-29-12)
 - b. Application is incomplete. (3-29-12)
 - c. Failure to post required bonds. (3-29-12)
 - d. Proposed well will result in a waste of oil or gas, a violation of correlative rights, or the pollution of fresh water supplies. (3-29-12)

201. MULTIPLE ZONE COMPLETIONS.

01. Requirements of the Owner or Operator; Request for Approval. A multiple zone completion may be approved by the Department upon application by the owner or operator and payment of an application fee, as herein provided. The application shall be accompanied by an exhibit showing the location of wells on applicant's lease and all offset wells on leases, and shall set forth all material facts involved and the manner and method of completion proposed, including a diagrammatic sketch of the mechanical installation of the proposed well. The application fee may not exceed that required by Subsection 200.02 of these rules. Notice of the filing of such application shall be given by the applicant by mailing to each offset operator a notice containing a full description of the proposed completion for which approval is requested, and proof of mailing such notice shall be made by affidavit, which shall be attached to the application showing names and addresses of those to whom notice was mailed. (4-11-15)

02. Conditions for Approval; Cause for Hearing. In the event the Department is in agreement with the application and that no offset operator files a written objection to the application with the Department within fifteen (15) days of the date of the offset operator's receipt of application, the application shall be approved as an amendment to the drilling permit. If any offset operator shall file in writing with the Department an objection to such multiple completion, or if the Department is not in agreement with the application, the matter shall be immediately set for hearing and Notice of Hearing duly given by the Department. (3-29-12)

03. Zone Effectiveness; Requirement for Production Testing. The Department may require such tests as necessary to determine the effectiveness of the segregation of the different productive zones. (3-29-12)

04. Commingling Production. The Department may require that oil or gas from multiple zones be produced through different sets of tubing, if needed to protect correlative rights or to prevent waste. (3-29-12)

202. -- 209. (RESERVED)

210. WELL TREATMENTS.

01. Application Required. An Application for Permit to Drill required by Section 200 must include

any plans for well treatment if they are known before the well is drilled. If well treatments are not covered in the original drilling permit, then an application to amend the permit must be made to the Department with an application fee. Approval by the Department is required prior to the well treatments being implemented. Actions to clean the casing or perforations not in excess of pressures sufficient to overcome the fracture gradient in the surrounding formation are not considered to be well treatments, but operators must notify the Department when such actions occur. Applications for well treatments must include the permit number, well name, well location, as-built description if drilling has been completed, and the following: (4-11-15)

- a.** Depth to perforations or the openhole interval; (3-29-12)
- b.** The source of water or type of base fluid; (3-29-12)
- c.** Additives, meaning any substance or any combination of substances including proppant, having a specified purpose that is combined with base treatment fluid by trade name, if available, and MSDS for each additive; (3-29-12)
- d.** Type of proppant(s); (3-29-12)
- e.** Anticipated percentages by volume and total volumes of base treatment fluid, individual additives, and proppant(s); (3-29-12)
- f.** Estimated pump pressures; (3-29-12)
- g.** Method and timeline for the management, storage, and disposal of well treatment fluids, including anticipated disposal site of treatment fluids or plans for reuse; (3-29-12)
- h.** Size and design of storage pits, if proposed, in conformance with Section 230 of these rules; (4-11-15)
- i.** Information specific to hydraulic fracturing as described in Section 211 of these rules; (4-11-15)
- j.** Summary identifying all water bearing zones from the surface down to the bottom of the well; (3-29-12)
- k.** Fresh water protection plan that describes the proposed site specific measures to protect water quality from activities associated with well treatments. The Department will review this plan in consultation with the IDEQ. The Fresh Water Protection Plan shall include the following information: (3-29-12)
 - i.** Ground water and storm water best management practices; (3-29-12)
 - ii.** Statement certifying that the owner or operator is complying with Spill Prevention, Control, and Countermeasures (SPCC) requirements administered by the EPA; (3-29-12)
 - iii.** A preconstruction topographic site map or aerial photos identifying all habitable structures, wells, perennial and intermittent springs, surface waters, and irrigation ditches within one-quarter (1/4) mile of the oil or gas well. The distance or location may be changed based on site specific factors such as horizontal drilling, the expected length of fractures, or lack of suitable water sample locations within one-quarter (1/4) mile; (3-29-12)
 - iv.** A brief description of the structural geology that may influence ground water flow and direction; and (3-29-12)
 - v.** The general hydrogeological characteristics of the treatment area and surrounding land. (3-29-12)
- l.** Certification by the owner or operator that all aspects of the well construction, including the suitability and integrity of the cement used to seal the well, are designed to meet the requirements of proposed well treatments; (3-29-12)

m. Affidavit signed by the owner or operator stating that all home owners and water well owners within one-quarter (1/4) mile of the oil or gas well, and all owners of a public drinking water system that have a IDEQ recognized source water assessment or protection area within one-quarter (1/4) mile of the oil or gas well, have been notified of the proposed treatment. If a well deviates from the vertical, these surface distances will be from the entire length of the wellbore from the surface to total depth. The notification will also offer an opportunity to have the owner or operator sample and test the water, at the owner or operator's cost, prior to and after the oil or gas well being treated. Notification shall be by certified mail to the surface owner as identified by the county assessor's records, or to the well owner as identified on the IDWR registry of water rights or well log database; (3-29-12)

n. Proof of publication in a newspaper of general circulation in the county where the well is located of a legal notice briefly describing the well treatment to be performed. Notice shall also advise all water well or public drinking water system owners, as described in Paragraph 210.01.m. of these rules, of the opportunity to have their water tested at the owner's or operator's cost before and after the well treatment; and (4-11-15)

o. Additional information as required by the Department. (3-29-12)

02. Master Drilling/Treatment Plans. Where multiple stimulation activities will be undertaken for several wells proposed to be drilled in the same field within an area of geologic similarity, approval may be sought from the Department for a comprehensive master drilling/treatment plan containing the information required. The approved master drilling/treatment plan must then be referenced on each individual well's Application for Permit to Drill. (3-29-12)

03. Application Denial. The Department may deny well treatment applications for one (1) or more of the following reasons: (3-29-12)

a. Application does not contain the information in Subsection 210.01 of these rules; (4-11-15)

b. Application fee was not submitted. (3-29-12)

c. Proposed treatment will result in a waste of oil or gas, a violation of correlative rights, or the pollution of fresh water supplies. (3-29-12)

04. Time Limit. If a treatment approved in a drilling permit or amended drilling permit is not started within one (1) year of the approval of the well treatment, the well treatment permit will expire and reapplication will be required prior to conducting the well treatment. Prior to the anniversary date, the owner or operator may apply for a six-month (6) extension. If conditions have not changed, and no changes to the permit are requested, the extension may be approved by the Department. (3-29-12)

05. Inspections. The Department may conduct inspections prior, during, and after well treatments. (3-29-12)

06. Reporting Requirements. A report on the well treatment must be submitted within thirty (30) days of the treatment. The report shall present a detailed account of the work done and the manner in which such work was performed, including: (3-29-12)

a. The daily production of oil, gas, and water both prior to and after the operation. (3-29-12)

b. The size and depth of perforations. (3-29-12)

c. Percentages by volume and total volumes of base treatment fluid, individual additives, and proppant(s). This requirement can be met by the submittal of well completion field tickets if they contain this information. (3-29-12)

d. Documentation demonstrating the chemicals used in the well treatment have been reported to the

website www.fracfocus.org, its successor website, or another publicly accessible database approved by the Department. The chemical information must be reported in a systems approach. (4-11-15)

e. Information specific to hydraulic fracturing, as described in Section 211 of these rules. (4-11-15)

f. Static pressure testing results before and after the well treatment. (3-29-12)

g. The amounts, handling, and if necessary, disposal at an identified appropriate disposal facility, or reuse of the well stimulation fluid load recovered during flow back, swabbing, and/or recovery from production facility vessels. Reporting of recovered fluids shall be included with other monthly production reports required by the Department. Storage of such fluid shall be protective of ground water as demonstrated by the use of either tanks or authorized lined pits as described in Section 230 of these rules. (4-11-15)

h. Any other information related to operations which alter the performance or characteristics of the well. (3-29-12)

07. Fresh Water Protections for Well Treatments. (3-29-12)

a. The Department will not authorize pits, lagoons, ponds, or other methods of subsurface storage for treatment fluids within IDEQ recognized source water assessment or protection areas for public drinking water systems. Owners or operators must store and transport treatment fluids using above ground storage facilities and tanker trucks for well treatments in these locations. (3-29-12)

b. The Department will not authorize well treatments to create fractures within five hundred (500) vertical feet above or below fresh water aquifers. (4-11-15)

c. The Department shall require the owner or operator to complete fresh water monitoring at the owner's or operator's cost before and after a well treatment unless the Department, in consultation with the IDEQ, determines that the proposed treatment does not pose a threat of pollution to fresh waters. The Department will review and approve all monitoring proposals with the IDEQ. The monitoring will be done using representative existing water wells or surface waters within one-quarter (1/4) horizontal mile of the treated well. For wells that deviate from the vertical, sampling may be required within one-quarter (1/4) horizontal mile of the wellbore's projected location on the surface. If no water wells or surface waters are present in this area, the sampling area may be enlarged as needed with approval by the Department. If the Department determines that existing water wells are not representative of the ground waters that could be impacted, then the Department may require the owner or operator to install one (1) or more ground water monitoring wells at the owner's or operator's cost. The owner or operator must obtain consent from appropriate property owners to gain access prior to any sampling or well construction. When monitoring is required by the Department, the operator will prepare a monitoring plan that includes the following: (3-29-12)

i. Location of proposed monitoring sites; (3-29-12)

ii. Construction details of any sampled or constructed wells including total well depth, depth of screened interval(s), screen size, and drilling log. For existing wells, the operator must make every reasonable attempt to locate this information; (3-29-12)

iii. When possible, data from the existing wells collected within the last five (5) years and analyzed in a state or EPA certified drinking water lab; (3-29-12)

iv. List of proposed analytes, testing methods, and their detection limits; (3-29-12)

v. Additional tests such as stable isotopic analysis; and (3-29-12)

vi. Pre-treatment sampling and analysis when no relevant data exists, and a schedule for post-treatment sampling and analysis. (3-29-12)

d. The owner or operator will provide the Department with copies of any analysis or reports within thirty (30) days of samples being taken. All samples must be analyzed in a state or EPA certified drinking water lab. (3-29-12)

e. Pollution of fresh water supplies due to a well treatment is a violation of these rules and Title 47, Chapter 3, Idaho Code. (3-29-12)

211. HYDRAULIC FRACTURING.

01. Application Requirements. In addition to the information required by Subsection 210.01 of this rule, the owner or operator shall provide the following application information regarding hydraulic fracturing: (4-11-15)

a. The geological names and descriptions of the formation into which well stimulation fluids are to be injected; (3-29-12)

b. Detailed information on the base stimulation fluid source. For each stage of the well stimulation program, provide the chemical additives and proppants and concentrations or rates proposed to be mixed and injected, including: (3-29-12)

i. Stimulation fluid identified by additive type (such as but not limited to acid, biocide, breaker, brine, corrosion inhibitor, crosslinker, demulsifier, friction reducer, gel, iron control, oxygen scavenger, pH adjusting agent, proppant, scale inhibitor, surfactant); (3-29-12)

ii. The chemical compound name and Chemical Abstracts Service (CAS) number as found on the previously submitted MSDS shall be identified (such as the additive biocide is glutaraldehyde, or the additive breaker is ammonium persulfate, or the proppant is silica or quartz sand, and so on for each additive used); (3-29-12)

iii. The proposed rate or concentration for each additive and the total volume of each shall be provided (such as gel as pounds per thousand gallons, or biocide at gallons per thousand gallons, or proppant at pounds per gallon, or expressed as percent by weight or percent by volume, or parts per million, or parts per billion); and (3-29-12)

iv. The formulary disclosure of the chemical compounds used in the well stimulation(s) for the purpose of protecting public health and safety. (3-29-12)

c. A detailed description of the proposed well stimulation design that shall include: (3-29-12)

i. The anticipated surface treating pressure range; (3-29-12)

ii. The maximum injection treating pressure, which shall be within accepted safety limits. Accepted safety limits are generally eighty percent (80%) of the maximum pressure rating of the pressurized system; (4-11-15)

iii. The estimated or calculated fracture height in both the horizontal and vertical directions. (3-29-12)

02. Volatile Organic Compounds and Petroleum Distillates. The injection of volatile organic compounds, such as benzene, toluene, ethyl benzene and xylene, also known as BTEX compounds, or any petroleum distillates into ground water in excess of the applicable ground water quality standards is prohibited. Volatile organic compounds or petroleum distillates may be appropriate as additives, but they are not appropriate for use as the base fluids. The proposed use of volatile organic compounds or any petroleum distillates for well stimulation into hydrocarbon bearing zones may be authorized with prior approval of the director. Water that is produced with oil and gas, and which may contain small amounts of naturally occurring volatile organic compounds or petroleum distillates, may be used as well stimulation fluid in hydrocarbon bearing zones. (3-29-12)

03. Well Integrity. Prior to the well stimulation, the owner or operator will perform a suitable mechanical integrity test of the casing or of the casing-tubing annulus or other mechanical integrity test methods and

submit an affidavit certifying that the well was tested in anticipation of proposed treatment pressures. The owner or operator will notify the Department of this test twelve (12) to twenty-four (24) hours in advance. (3-29-12)

04. Pressure Monitoring. During the well stimulation operation, the owner or operator shall monitor and record the annulus pressure at the casinghead. If intermediate casing has been set on the well being stimulated, the pressure in the annulus between the intermediate casing and the production casing shall also be monitored and recorded. If the annulus pressure increases by more than five hundred (500) psi gauge as compared to the pressure immediately preceding the stimulation, the owner or operator shall verbally notify the Department as soon as practicable but no later than twenty-four (24) hours following the incident. (3-29-12)

05. Post Treatment Report. In addition to the information required by Subsection 210.06 of this rule, the owner or operator shall provide the following post-treatment reporting: (4-11-15)

- a.** The actual total well stimulation treatment volume pumped; (3-29-12)
- b.** The actual surface pressure and rate at the end of each fluid stage and the actual flush volume, rate and final pump pressure; (3-29-12)
- c.** The instantaneous shut-in pressure, and the actual fifteen (15) minute and thirty (30) minute shut-in pressures when these pressure measurements are available; (3-29-12)
- d.** A continuous record of the annulus pressure during the well stimulation; (3-29-12)
- e.** A copy of the well stimulation service contractor's job log, without any cost/pricing data from the field ticket, in lieu of paragraphs (a) through (d) above. If the job log does not contain all the needed information, it must be supplemented with additional information needed to satisfy Paragraphs 211.05.a. through 211.05.d. of this rule. (4-11-15)
- f.** A report containing all details pertaining to any annulus pressure increases of more than five hundred (500) psi gauge as described in Subsection 211.04 of this rule. The report shall include corrective actions taken, if necessary. (4-11-15)
- g.** Results of post treatment fluid analysis used to help determine where the fluid can be disposed. (3-29-12)

212. -- 219. (RESERVED)

220. BONDING.

01. Individual Bond. The Department shall, except as hereinafter provided, require from the owner or operator a good and sufficient bond in the sum of not less than ten thousand dollars (\$10,000) plus one dollar (\$1) for each foot of planned well length in favor of the Department. The bond shall be conditioned upon the performance of the owner's or operator's duty to comply with the requirements of the Act and the rules of the Commission, with respect to the drilling, maintaining, operating, and plugging of each well drilled for oil and gas and the reclamation of surface disturbance associated with these activities. Said bond shall remain in force and effect until the plugging of said well is approved by the Department and the well site is reclaimed as described in Section 510 of these rules, or the bond is released by the Department. (4-11-15)

02. Blanket Bond. In lieu of the bond in Subsection 220.01 of this rule, any owner or operator may file with the Department a good and sufficient blanket bond covering all active wells drilled or to be drilled in the state of Idaho. The amount of the blanket bond will be as follows according to the number of active wells covered by the bond: (4-11-15)

- a.** Up to ten (10) wells, fifty thousand dollars (\$50,000); (3-29-12)

- b. Eleven (11) to thirty (30) wells, one hundred thousand dollars (\$100,000); or (3-29-12)
- c. More than thirty (30) wells, one hundred fifty thousand dollars (\$150,000). (3-29-12)

03. Inactive Well Bond. An owner or operator must provide the Department with a bond of at least ten thousand dollars (\$10,000) plus eight dollars (\$8) for each foot of planned well length for each inactive well conditioned upon the performance of the duty to comply with the requirements of the Act and the rules of the Commission, with respect to the drilling, maintaining, operating, and plugging of each well drilled for oil and gas. Said bond shall remain in force and effect until the plugging of said well is approved by the Department, or the bond is released by the Department. Inactive wells may not be covered by a blanket bond as provided in Subsection 220.02 of this rule. (4-11-15)

04. Additional Bonding. The Department may impose additional bonding on an owner or operator given sufficient reason, such as non-compliance, unusual conditions, horizontal drilling, or other circumstances that suggest a particular well or group of wells has potential risk or liability in excess of that normally expected. The owner or operator may request a hearing to appeal either the decision to impose an additional bond or the proposed amount of the bond. (3-29-12)

05. Authorized Bonds. The bond(s) referred to in Section 220 must be by a corporate surety authorized to do business in the state of Idaho or in cash. If cash is used to satisfy the bonding requirements in these rules, interest on the cash will be allocated to the general fund. (4-11-15)

221. TRANSFER OF DRILLING PERMITS.

No person to whom a permit has been issued shall transfer the permit to any other location or to any other person until the following requirements have been complied with: (10-21-92)

01. Prior to Drilling Well. If, prior to the drilling of a well, the person to whom the permit was originally issued desires to change the location, he shall submit a letter so stating and another application properly filled out showing the new location. Drilling shall not be started until the transfer has been approved and the new permit posted at the new location. (3-29-12)

02. During Drilling or After Completion. If, while a well is being drilled or after it has been completed, the person to whom the permit was originally issued disposes of his interest in the well, he shall submit a written statement to the Department setting forth the facts and requesting that the permit be transferred to the person who has acquired the well. (3-29-12)

03. Terms for Acceptance of Transfer. Before the transfer of a drilling permit shall be recognized, the person who has acquired the well must submit a written statement setting forth that he has acquired such well and assumes full responsibility for its operation and abandonment in conformity with the law, rules, regulations, and orders issued by the Commission. If bond is required to guarantee compliance with the rules and regulations of the Commission, the person acquiring such well shall furnish bond. (3-29-12)

222. -- 229. (RESERVED)

230. PIT REQUIREMENTS.

01. Plans Required. If pits are proposed to be constructed in connection with another permit application required by these rules, then the owner or operator must include plans for pit construction in the application. If a pit is needed after the other permits have been approved, then an application to amend the permit must be made to the Department with an application fee. Approval by the Department is required prior to the pit being constructed unless the pit is necessary for an emergency action. Pit applications must include the permit number, well name, well location, as-built description if drilling has been completed, proposed pit location, and plans for pit construction, operation, and reclamation. (3-29-12)

02. Location. (3-29-12)

a. Pits must be located where they are structurally sound and the liner systems can be adequately protected against factors such as wild fires, floods, landslides, surface and ground water systems, equipment operation, and public access. (3-29-12)

b. Pits located in a one hundred-year floodplain must be in conformance with any applicable floodplain ordinances pertaining to activities within the one hundred-year floodplain. (3-29-12)

c. Pits shall not be located within an IDEQ recognized source water assessment or protection areas for public drinking water systems. (3-29-12)

03. Site Preparation. All sites must be properly prepared prior to pit construction. Vegetation, roots, brush, large woody debris and other deleterious materials, topsoil, historic foundations and plumbing, or other materials that may adversely affect appropriate construction, must be removed from the footprint of the pit unless approved by the Department. (3-29-12)

04. Pit Sizing Criteria. (3-29-12)

a. Pits that have constructed berms ten (10) or more feet in height or hold fifty (50) acre-feet or more of fluid must also comply with the dam safety requirements of IDAPA 37.03.06, "Safety of Dams Rules." (3-29-12)

b. Pits must be designed to hold the maximum volume of fluids being used for drilling or well treatment and the volume of water associated with a one hundred-year, twenty-four-hour precipitation event. (3-29-12)

c. Snowmelt events shall be considered in determining the containment capacity. (3-29-12)

d. Pits that are left over winter must be able to contain one hundred twenty-five percent (125%) of the average annual precipitation that falls from October through May. (3-29-12)

e. Pits must be designed to maintain a minimum two (2) foot freeboard at all times. Contingency plans for managing excesses of fluids shall be described in the application. At no time shall fluids in a pit be allowed to escape from the impoundment. (3-29-12)

05. Minimum Plans and Specifications for Reserve, Well Treatment, and Other Short Term Pits. Pits used for one (1) year or less, not including extensions, are short term pits. Construction plans and specifications for short term pits must include the requirements under Subsections 230.02 through 230.04 of this rule and the following: (4-11-15)

a. A prepared subbase, which shall be free of plus three (3) inch rocks, roots, brush, trash, debris or other deleterious materials, and compacted to ninety-five percent (95%) of Standard Proctor Test ASTM D698-07e1 or ninety-five percent (95%) of Modified Proctor Test ASTM D1557-09; (3-29-12)

b. Slopes of two (2) feet horizontal to one (1) foot vertical (2H:1V) or flatter for all interior and exterior pit walls. The top of a bermed pit wall must be a minimum of two (2) feet wide; (3-29-12)

c. A primary liner system consisting of a synthetic liner of at least twenty (20) mils thickness and constructed according to manufacturers' standards with at least four (4) inches of welded seam overlap and complete coverage on the floor and inside walls of the pit. Seams must run parallel to the line of maximum slope so they do not traverse across the slope. The liner edges shall be anchored in a compacted earth filled trench at least eighteen (18) inches in depth. The liner must be protected against cracking, sun damage, ice, frost penetration or heaving, wildlife and wildfires, and damage that may be caused by personnel or equipment operating in or around these facilities. Liner compatibility shall comply with EPA SW-846 method 9090A. Alternative liner systems with similar standards may be proposed by the owner or operator and approved at the Department's discretion; (3-29-12)

d. Minimum factors of safety, and the logic behind their selection, for the stability of the earthworks and the lining system of the pit; (3-29-12)

- e. Site-specific methods for excluding people, terrestrial animals, and avian wildlife from the pits; (3-29-12)
 - f. Segregation and stockpiling of topsoil in a manner that will support reestablishment of the pre-disturbance land use after pit closure; and (3-29-12)
 - g. A closure plan including the following: (3-29-12)
 - i. Testing of residual fluids and any accumulated solids, if anything other than water based drilling fluid was placed in the pit; (3-29-12)
 - ii. Plans for removal and disposal of residual fluids and accumulated solids, with the liner material, at an appropriate facility; (3-29-12)
 - iii. Regrading plan, replacement of topsoil, and erosion control measures; and (3-29-12)
 - iv. Reseeding and Revegetation. (3-29-12)
- 06. Minimum Plans and Specifications for Long Term Pits.** Pits used for more than one (1) year, not including extensions, are long term pits. Construction plans and specifications for long term pits must include the requirements under Subsections 230.02 through 230.05 of this rule and the following: (4-11-15)
- a. A quality control/quality assurance construction and installation plan; (3-29-12)
 - b. Type of fluids to be contained in the pit; (3-29-12)
 - c. Secondary containment synthetic liners, which shall have a minimum thickness of sixty (60) mils consisting of HDPE and a maximum coefficient of permeability of 10^{-9} cm/sec, or comparable liners approved by the Department; (3-29-12)
 - d. Leak detection and collection systems. The plans and specifications shall: (3-29-12)
 - i. Provide a material between primary and secondary containment synthetic liners to collect, transport and remove all fluids that pass through the primary containment synthetic liner at such a rate as to prevent hydraulic head from developing on the secondary containment synthetic liner to the level at which it may be reasonably expected to result in discharges through the secondary containment synthetic liner; (3-29-12)
 - ii. Provide routines and schedules for the evaluation of the efficiency and effectiveness of the removal of fluids from the layer placed between primary and secondary containment synthetic liners. The properly working system shall continually relieve head pressures on the secondary containment synthetic liner; (3-29-12)
 - iii. Provide specific triggers for maintenance routines, which shall be initiated in response to inadequate performance of primary or secondary containment synthetic liners; and (3-29-12)
 - iv. Specify operation and maintenance procedures, which shall be initiated in response to inadequate performance of primary and secondary containment or leak detection and collection systems. (3-29-12)
 - e. All piping, including that contained in the leak detection and collection system, shall have a minimum wall thickness of PVC Schedule 80 and be designed to: (4-11-15)
 - i. Withstand chemical attack from oil field waste or leachate; (3-29-12)
 - ii. Withstand structural loading from stresses and disturbances from cover materials or equipment operation; and (3-29-12)

- iii. Facilitate clean-out and maintenance. (3-29-12)
 - f. Protections for the liner from excessive hydrostatic force or mechanical damage at the point of discharge into, or suction from, the pit. External discharge or suction lines shall not penetrate the liner; (3-29-12)
 - g. Plans for erosion control during and immediately following construction; and (3-29-12)
 - h. Operating and maintenance plans. (3-29-12)
- 07. Time Limits for Short Term Pits.** Reserve, well treatment, and other short term pits must be closed out and reclaimed within one (1) year of being constructed. The owner or operator may request a one-time extension for up to six (6) months. The Department may grant the request if the owner or operator gives sufficient cause and presents a plan for ensuring that the pit is adequately monitored and maintained. (3-29-12)
- a. Fluids may be left in a pit for up to six (6) months after the associated well activities are conducted. The owner or operator may request a one-time extension for up to one (1) year. The Department may grant the request if the owner or operator gives sufficient cause and presents a plan for keeping the fluids in a usable state. (3-29-12)
 - b. Notwithstanding the above time limits, the owner or operator may request additional time based upon conditions wholly outside of the owner's or operator's control including, but not limited to, governmental lease requirements and delays related to difficult drilling conditions. The Department may impose additional construction or monitoring requirements prior to granting additional time. (3-29-12)
- 08. Emergency Pits.** Pits constructed during an emergency situation may be approved by an after-the-fact application submitted to the Department. The requirements in Subsections 230.02 through 230.05 of this rule shall apply, and the pit must be closed out and reclaimed within six (6) months of being constructed. The Department must be notified within twenty-four (24) hours of an emergency situation requiring an emergency pit. (4-11-15)
- 09. Operating Requirements.** (3-29-12)
- a. Waste oil, hydraulic fluid, transmission fluids, trash, or any other miscellaneous waste products must not be disposed of in a pit. Placement of these materials into a pit may result in the creation of a mixed waste that requires handling and disposal as a hazardous waste. (3-29-12)
 - b. If a pit liner's integrity is compromised, or if any penetration of the liner occurs above the liquid's surface, then the owner or operator shall notify the appropriate Department area office within forty-eight (48) hours of the discovery and repair the damage or replace the liner. (3-29-12)
 - c. If a pit or closed-loop system develops a leak, or if any penetration of the pit liner occurs below the liquid's surface, then the owner or operator shall remove all liquid above the damage or leak line within forty-eight (48) hours, notify the appropriate Department area office within forty-eight (48) hours of the discovery, and repair the damage or replace the pit liner. (3-29-12)
 - d. The owner or operator shall install, or maintain on site, an oil absorbent boom or other device to contain and remove oil from a pit's surface. Visible oil must be removed from short term pits immediately following the cessation of activity for which the pit was constructed. Visible oil must be removed from long term pits as soon as it is discovered. (3-29-12)
- 10. Closure of Pits.** (3-29-12)
- a. The owner or operator shall remove all liquids from the pit prior to closure and dispose of them at an appropriate facility or reuse them at a different location. If the nature of the fluids has substantially altered during their use, then the fluids must be sampled and tested to determine which disposal facility can accept them. (3-29-12)

b. Any solids that have been accumulated in the bottom of the pit will be tested to determine which disposal facility can accept the material. The solid material and liner will then be removed and disposed of at an appropriate facility. (3-29-12)

c. The owner or operator must notify the Department at least forty-eight (48) hours prior to removal of the pit liner so an inspection may be conducted. (3-29-12)

d. The pit foundation will be inspected for signs of leakage. If evidence of leakage is observed, the owner or operator must contact the Department and the IDEQ within twenty-four (24) hours and report the type of fluids released and the estimated extent of release. The owner or operator must then remediate the site in conformance with the applicable standards administered by IDEQ in IDAPA 58.01.02, "Water Quality Standards," Sections 850 through 852. (3-29-12)

e. After addressing any pit leakage concerns, the owner or operator shall perform the activities described in Subsections 510.04 through 510.08 of these rules. (4-11-15)

11. Condemnation Due to Improper Impoundment. The Department shall have authority to condemn any pit that does not properly impound fluids and order the disposal of such fluids in conformance with IDAPA 58.01.16, "Wastewater Rules," and other applicable rules. (3-29-12)

231. -- 299. (RESERVED)

SUBCHAPTER D - WELL SITES AND DRILLING

300. IDENTIFICATION OF WELLS.

01. Signs; Lease Access Roads. To identify all producing leases the owner or operator thereof shall cause a sign to be placed where the principal lease road enters the lease and such sign shall show the name of the lease and the owner or operator thereof and the section, township, and range. (10-21-92)

02. Signs; Well Sites. Prior to spud activity, a legible sign must be placed near the well to identify the operator, permit number, well name, and emergency telephone number. If a multiple completion, each well head connection shall be identified. (4-11-15)

301. WELL SITE OPERATIONS.

The owner or operator must conduct all operations and maintain the well site at all times in a safe and workmanlike manner. Best management practices and good housekeeping practices must be used at well sites. (4-11-15)

01. Fencing. Within sixty (60) days after completion of the well, the owner or operator must install a fence around the well site to maintain safe working conditions, secure the well site, and prevent access by wildlife and livestock. The fence design must be acceptable to both the landowner and owner or operator. (4-11-15)

02. Storage. All chemicals must be stored and maintained in accordance with the applicable MSDS requirements. Materials related to operations must be palletized where applicable. Vehicles and materials not in use must be removed from the well site. (4-11-15)

03. Vegetation. All well sites must be kept free of excessive vegetation. (4-11-15)

04. Trash. All trash, debris, and scrap metal must be removed from the well site. Pending removal, any trash or debris that might constitute a fire hazard shall be removed to a distance of at least one hundred (100) feet from the well location, tanks, and separator. (4-11-15)

302. ACCIDENTS AND FIRES.

The owner or operator shall take all reasonable precautions to prevent accidents and fires. An emergency response plan will be prepared and available at the well for use or inspection. Coordination with local emergency responders and the Idaho Bureau of Homeland Security is recommended prior to rig set up. The following actions must be taken

in event of a release, industrial accident, or fire of major consequence: (3-29-12)

01. Provide Information to Emergency Response. Emergency workers will be given information on all fluids or chemicals involved in a spill or accident as needed according to OSHA Standard 1910.1200 (Hazard Communication). Nothing in this rule shall authorize any person to withhold information that is required by state or federal law to be provided to a health care professional, a doctor, or a nurse. All information required by a health care professional, a doctor, or a nurse shall be supplied, immediately upon request, by the owner or operator, or their contractors, directly to the requesting health care professional, doctor, or nurse, including the percent by volume of the chemical constituents (and associated CAS numbers) in the fluids and the additives; (3-29-12)

02. Initiate Spill Response and Corrective Actions. Owner or operator must comply with the requirements of IDAPA 58.01.02, "Water Quality Standards," Sections 850 through 852; and (3-29-12)

03. Notify the Department. Notify the Department within twenty-four (24) hours and submit a full report thereon within fifteen (15) days. (3-29-12)

303. -- 309. (RESERVED)

310. GENERAL DRILLING RULES.

01. General Design Requirements for Casing and Cementing. Casing and cementing programs adopted for wells must be so planned as to protect any potential oil- or gas-bearing horizons penetrated during drilling from infiltration of injurious waters from other sources, and to prevent the migration of oil or gas from one horizon to another. Owners and operators shall follow the standards for casing and tubing in API SPEC 5CT and the standards for cementing in API SPEC 10A. (3-29-12)

02. Wildcat and High-Pressure Conditions. When drilling wildcat territory or in any field where high pressures are likely to exist, the owner or operator shall take all necessary precautions to keep the well under control at all times and shall use proper high-pressure fittings and equipment at the time the well is started. Under such conditions all strings of casings must be securely anchored. (3-29-12)

03. High Temperature Conditions. Due to high geothermal gradients in Idaho, the temperature of the return drilling mud shall be monitored daily during the drilling of the surface casing hole and all deeper holes. The owner or operator must use cements appropriate for the temperatures expected or encountered. (3-29-12)

04. Conductor Pipe or Casing Requirements. A minimum of forty (40) feet of conductor pipe shall be installed. If geologic conditions are such that forty (40) feet is not feasible, the owner or operator may request a variance from the Department. The annular space is to be cemented solid to the surface. A twenty-four (24) hour cure period for the grout must be allowed prior to drilling out the shoe unless sufficient additives, as determined by the Department, are used to obtain early strength. (3-29-12)

05. Surface Casing Requirements. (3-29-12)

a. The Department must be notified in writing seventy-two (72) hours in advance of planned spud activity for surface casing. The Department will post the spud activity notice on its website and send an electronic copy of the notice to the county where the well is located. (4-11-15)

b. Surface casing must be set at a minimum depth equal to ten percent (10%) of the proposed total depth of the well. In areas where pressures and formations are unknown, a minimum of two hundred (200) feet of surface casing shall be set. (3-29-12)

c. Surface casing shall provide for control of formation fluids, protection of fresh water, and for adequate anchorage of blow out prevention equipment. The casing must be seated through a sufficient series of low permeability, competent lithologic units such as claystone, siltstone, basalt, etc., to insure a solid anchor for blow out prevention equipment and to protect usable ground water from contamination. Additional surface casing may be required if the first string has not been cemented through a sufficient series of low permeability, competent

lithologic units, or rapidly increasing thermal gradients or formation pressures are encountered. (4-11-15)

d. All surface casing shall be cemented solid to the surface by pump and plug, displacement, or other approved method. When surface samples are cured, additional drilling activities may commence. (3-29-12)

e. The Department must be notified in writing twenty-four (24) hours in advance of planned cementing activity for surface casing. The Department will witness and document all surface casing cementing activities. (4-11-15)

06. Requirements for BOP Equipment. Unless altered, modified, or changed for a particular pool(s) upon hearing before the Commission, BOP and related equipment shall be installed and maintained during the drilling of all wells in accordance with the following rules: (3-29-12)

a. BOP equipment installed on wells in which formation pressures to be encountered are abnormal or unknown shall consist of a double-gate, hydraulically operated preventer with pipe and blind rams or two (2) single-ram-type preventers; one (1) equipped with pipe rams, the other with blind rams and an annular type preventer. In addition, upper and lower kelly cocks, pit level indicators with alarms and/or flow sensors with alarms, and surface facilities to handle pressure kicks shall be installed prior to drilling any formation with known abnormal pressure. (10-21-92)

i. Accumulators shall maintain a pressure capacity reserve at all times to provide for operation of the hydraulic preventers and valves with no outside source. (10-21-92)

ii. In all other drilling operations, BOP equipment shall consist of at least one (1) double-gate preventer with pipe and blind rams or two (2) single-ram-type preventers, one (1) equipped with pipe rams, the other with blind rams, and sufficient valving to permit fluid circulation at the surface. (10-21-92)

b. All BOP equipment, choke lines, and manifolds shall be installed above ground level. Casing heads and optional spools may be installed below ground level provided they are visible and accessible. (4-11-15)

c. BOP equipment and related casing heads and spools shall have a vertical bore no smaller than the inside diameter of the casing to which they are attached. (3-29-12)

d. The working pressure rating of all BOP and related equipment shall equal or exceed the maximum anticipated pressure to be contained at the surface. (4-11-15)

e. All ram-type BOP and related equipment, including casing, shall be tested to the full working pressure rating of said equipment upon installation, provided that components need not be tested to levels higher than the lowest working pressure rated component. Annular type BOP and related equipment must be tested in conformance with the manufacturer's published recommendations. If, for any reason, a pressure seal in the assembly is disassembled, a test to a full working pressure rating of that seal shall be conducted prior to the resumption of any drilling operation. In addition to the initial pressure tests, ram-type BOP shall be checked for physical operation at least once per week and all components, again with exception of the annular-type BOP, tested at least once every twenty-one (21) days to at least fifty percent (50%) of the rated pressure of the BOP equipment and/or to the maximum anticipated pressure to be contained at the surface, whichever is greater. (4-11-15)

f. The Department will require an affidavit covering the initial pressure tests after installation signed by the owner, operator, or contractor attesting to the satisfactory pressure tests. The Department must be advised at least twenty-four (24) hours in advance of all tests. The Department may inspect and witness all BOP operations and testing. (4-11-15)

g. A schematic diagram of the BOP and well head assembly shall be submitted to the Department upon application for a permit to drill. The schematic diagram should indicate the minimum size and pressure rating of all components of the well head and BOP assembly. (3-29-12)

h. Studs on all well head and BOP flanges shall be checked for tightness each week. Hand wheels for

locking screws shall be installed and operational, and the entire BOP and well head assembly shall be kept clean of mud and ice. (10-21-92)

i. A drillstem safety valve shall be available on the rig floor at all times with correct thread for the pipe in use. (3-29-12)

j. A drillstem float valve shall be installed in bit sub or as close to bit as reasonably possible. (3-29-12)

07. Intermediate Casing. (3-29-12)

a. Intermediate casing, if installed, shall be cemented solidly to the surface or to the top of the casing. (3-29-12)

b. Intermediate casing not run to surface will be lapped into at least one hundred (100) feet of the surface casing, or at least one hundred (100) feet of the next larger casing to provide overlap and secure a seal. (3-29-12)

c. Such casing shall be cemented and pressure tested before cement plugs are drilled. (3-29-12)

d. The Department must be notified in writing twenty-four (24) hours in advance of planned cementing activity for intermediate casing. The Department may witness and document all intermediate casing cementing activities. (4-11-15)

08. Production Casing; Cementing and Testing Requirements. (3-29-12)

a. If and when it becomes necessary to run a production casing, such casing shall be cemented and pressure tested before cement plugs are drilled. (3-29-12)

b. The Department must be notified in writing twenty-four (24) hours in advance of planned cementing activity for production casing. The Department may witness and document all production casing cementing activities. (4-11-15)

c. When not run to the surface, production casing will be cemented from the bottom of the hole up into at least one hundred (100) feet of the next larger casing to provide overlap and secure a seal. (3-29-12)

d. If the bottom plug will be drilled out, the open hole interval must be completed to protect any potential oil-bearing or gas-bearing horizons penetrated during drilling from infiltration of injurious waters from other sources, and to prevent the migration of oil or gas from one horizon to another. (3-29-12)

09. Step-off. An owner or operator may submit to the Department a step-off request to complete a new borehole from surface if a borehole without production casing deviates from vertical plumb by more than five (5) degrees. A step-off borehole must be drilled within the existing pad of the permitted well. The incomplete borehole must be plugged and abandoned in accordance with Section 502 of these rules. (4-11-15)

10. Well Control (Rotary Tools); Reserve Mud Tanks. When drilling with rotary tools, the owner or operator shall provide, as required by the Department, a reserve mud pit or tank of suitable capacity for the anticipated depth of the well and maintain an on-site supply of mud additives that can raise the mud weight by one (1) pound per gallon in case of loss of well control. (4-11-15)

11. Mud Pits. Before commencing to drill, proper and adequate mud pits shall be constructed for the reception and confinement of mud and cuttings and to facilitate the drilling operation. Special precautions shall be taken, if necessary, to prevent contamination of fresh waters. These pits must conform to the standards in Section 230 of these rules. If tanks will be used, then mud pits may not be required. (4-11-15)

12. Well Control (Cable Tools); Fluid Containment. Natural gas or oil which may be encountered

in a substantial quantity in any section of a cabletool drilled hole above the ultimate objective shall be shut off with reasonable diligence either by mudding or by casing, or other approved method, and confined to its original source to the satisfaction of the Department. The use of cable tools for drilling activities requires written approval by the Department prior to spud activities. A request to use cable tools must include the following: (4-11-15)

- a. Proposed pressure control measures; (4-11-15)
- b. Diversion and disposal methods for stray gas; (4-11-15)
- c. Safety protocols for mud weights and well controls; and (4-11-15)
- d. Annual drill rig safety inspection information, including the date of last replacement of cables, draw works inspection report, and metallurgic report of safety compliance for structural integrity of the drill rig. (4-11-15)

13. Drilling Mud Disposal. Drilling mud will be disposed of at an appropriate facility in compliance with applicable state and federal requirements. (3-29-12)

14. Report of Water Encountered; Owner's or Operator's Duties. It shall be the duty of any owner or operator drilling an oil or gas well or drilling a seismic, core or other exploratory hole to report to the Department all potential water bearing zones encountered; such report shall be in writing and give the location of the well or hole, the depth at which the zones were encountered, the thickness of such zones, and the rate of flow of water if known. This requirement can be met by the submittal of the logs required in Section 340 of this rule. (4-11-15)

15. Spill Prevention, Control, and Countermeasures Plan. The owner or operator must have a Spill Prevention, Control, and Countermeasures Plan in conformance with the requirements of the EPA. This plan must be updated as needed when facilities or activities change. (3-29-12)

16. Interim Drill Site Clean Up. If a well is completed for production or other purposes, interim reclamation must be completed within six (6) months of the rig being removed. Interim reclamation includes the following activities: (3-29-12)

a. Debris and waste materials including, but not limited to, concrete, sack bentonite and other drilling mud additives, sand, plastic, pipe, and cable associated with the drilling, re-entry, or completion operations shall be removed and disposed of properly. (3-29-12)

b. All disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations or for subsequent drilling operations to be commenced within twelve (12) months, shall be reclaimed and revegetated to approximately the pre-drilling condition or to the condition specified in an agreement with the surface owner. The reclamation standards in Subsections 510.04 through 510.07 of these rules, shall apply. (4-11-15)

311. LOSS OF TOOL WITH RADIOACTIVE MATERIAL.

01. Recovery or Cementing of Tool. If a gamma ray tool, or some other tool containing radioactive material, becomes lost in a well, the owner or operator shall make every reasonable attempt to retrieve the tool from the well. If the tool cannot be recovered, the owner or operator must immediately cover the tool with cement sufficient to secure it in place and prevent it from contacting any fluids in the well. A whipstock or other approved deflection device shall be placed on top of the cement plug to prevent accidental or intentional mechanical disintegration of the radioactive source. (3-29-12)

02. Sidetracking. If the hole is later sidetracked above the radioactive material, the sidetracked hole must be at least fifteen (15) feet from the original hole with the lost radioactive material. (3-29-12)

03. Reporting. A report must be sent to the Department and IDEQ within thirty (30) days of

cementing the tool. The report must describe the tool that was lost, the depth it was lost at, the specific type and amount of radioactive material in the tool, and an estimate of the length of cement covering the tool. This report may be included in a plugging report if the well will be plugged. (3-29-12)

312. CHOKES.

All flowing wells shall be equipped with adequate chokes or beans to properly control the flow thereof. (10-21-92)

313. USE OF EARTHEN RESERVOIRS.

Oil shall not be produced, stored, or retained in earthen reservoirs or in open receptacles. (10-21-92)

314. VACUUM PUMPS PROHIBITED.

The use of vacuum pumps or other devices for the purpose of placing a vacuum on any gas- or oil-bearing stratum is prohibited; however, the Department may upon application and hearing and for good cause shown permit the use of vacuum pumps. (3-29-12)

315. PULLING OUTSIDE STRINGS OF CASING.

Casing shall not be recovered if its recovery will expose any abnormal pressure, lost circulation, oil, gas, or water zone. In pulling outside strings of casing from any oil or gas well, the space outside the casing left in the hole shall be kept and left full of mud-laden fluid of adequate specific gravity to seal off all fresh and saltwater strata and any strata bearing oil or gas which is not producing. Casing may not be pulled without first making application to the Department and receiving approval. The application must describe how fresh waters will be protected. (3-29-12)

316. -- 319. (RESERVED)

320. MECHANICAL INTEGRITY TESTING.

01. Mechanical Integrity Testing. (3-29-12)

a. The mechanical integrity test shall include one (1) of the following tests to determine whether leaks are present in the casing, tubing, or packer: (3-29-12)

i. A pressure test with liquid or gas at a pressure of not less than three hundred (300) psi or the minimum injection pressure, whichever is greater, and not more than the maximum injection pressure; or (3-29-12)

ii. The monitoring and reporting to the Department, on a monthly basis for sixty (60) consecutive months, of the average casing-tubing annulus pressure, following an initial pressure test; or (3-29-12)

iii. In lieu of Subparagraphs 320.01.a.i. and 320.01.a.ii. of this rule, any equivalent test or combinations of tests approved by the Department. (4-11-15)

b. The mechanical integrity test shall include one (1) of the following tests to determine whether there are fluid movements in vertical channels adjacent to the well bore: (3-29-12)

i. Tracer surveys; (3-29-12)

ii. Cement bond log or other acceptable cement evaluation log; (3-29-12)

iii. Temperature surveys; or (3-29-12)

iv. In lieu of Subparagraphs 320.01.b.i. through 320.01.b.iii. of this rule, any other equivalent test or combination of tests approved by the Department. (4-11-15)

c. Mechanical integrity tests shall be performed at the rate of not less than one (1) test every five (5) years, regardless of well status. The first five-year period shall commence on the date the initial mechanical integrity test is performed. (3-29-12)

02. Inactive Wells. If, at any time, surface equipment excluding the wellhead is removed or the well becomes incapable of production, a mechanical integrity test shall be performed within thirty (30) days. The mechanical integrity test for an inactive well shall be isolation of the wellbore with a bridge plug or similar approved isolating device set one hundred (100) feet or less above the highest perforations and a pressure test with liquid or gas at a pressure of not less than three hundred (300) psi surface pressure or any equivalent test or combination of tests approved by the Department. (3-29-12)

03. Prior Notification. Not less than ten (10) days prior to the performance of any mechanical integrity test required by this rule, any person required to perform the test shall notify the Department, in writing, of the scheduled date on which the test will be performed. (3-29-12)

04. Reporting Requirements. Mechanical integrity test results shall be submitted to the Department within thirty (30) days of testing. (3-29-12)

05. Mechanical Integrity Required. All wells shall maintain mechanical integrity. All wells that fail a mechanical integrity test, or that are determined through any other means to lack mechanical integrity, shall immediately be investigated by the owner or operator. The well shall be repaired or immediately shut down following the investigation. Repairs shall be completed within six (6) months, or the well shall be plugged and abandoned. If the repair cannot be completed within six (6) months, the owner or operator may request an extension and provide a plan for the repair, (3-29-12)

321. -- 329. (RESERVED)

330. WELL DIRECTIONAL CONTROL.

01. General Restrictions; Allowable Deviation. The maximum point at which a well penetrates the producing formation shall not unreasonably vary from the vertical drawn from the center of the hole at the surface. Deviation is permitted without special permission to remedy blowouts and, for short distances, to straighten the hole, sidetrack junk, or correct other mechanical difficulties. (10-21-92)

02. Controlled Directional Drilling. Except for the purposes recited in Subsection 330.01, no well hereafter drilled may be intentionally directionally deviated from the vertical unless the owner or operator thereof shall first file an application and application fee to amend the drilling permit and receive approval from the Department. Such application shall contain the following information: (4-11-15)

- a.** Name and address of the owner or operator. (3-29-12)
- b.** Lease name, well number, name of field and reservoir and county. (10-21-92)
- c.** Description of surface location and proposed location of the producing interval (footage from lease and section or block and survey lines). (10-21-92)
- d.** Reason for intentional deviation. (10-21-92)
- e.** List of offset operators and statement that each has been furnished a copy of the application by registered mail. (10-21-92)
- f.** Signature of representative of owner or operator. (3-29-12)
- g.** Notification to offset operators that any objection they may have to the proposed intentional deviation of the well must be filed with the Department within fifteen (15) days of receipt of a copy of the application. (3-29-12)

h. The application shall be accompanied by a neat, accurate plat or sketch of the lease and all offset leases showing the names of all offset operators and the surface and proposed producing interval locations of the well. Plat shall be drawn to a scale which will permit facile observation of all pertinent data. (10-21-92)

03. Copy of Application to Offset Operators. At the time the application is filed with the Department, a copy of the application and the plat shall be forwarded by registered mail to all offset operators to the lease on which the well is to be drilled. (3-29-12)

04. Department Action. Upon receipt, the Department will hold the application for fifteen (15) days. If objection from any offset operator to the proposed intentional deviation is received within fifteen (15) days of receipt of the application by said operator, or if the Department is not in agreement with the proposed deviation, the application shall be set down for public hearing. If no objection from either an offset operator or the Department is interposed within the fifteen (15) day period, the application shall be approved and permit issued by the Department. If written consent of the offset operator(s) is filed concurrently with the application to drill directionally, the Department may immediately approve the application without waiting fifteen (15) days. (3-29-12)

05. Angular Deviation and Directional Survey. Upon completion, a complete angular deviation and directional survey of the well obtained by an approved well surveying company shall be filed with the Department, together with other regularly required reports. (3-29-12)

06. Application for Exceptions. In the event the proposed, or final, location of the producing interval of the directionally deviated well is not in agreement with spacing or other rules of the Commission applicable to the reservoir, proper applications shall be made to obtain approval of exceptions to such rules. Such approval shall be granted or denied at the discretion of the Department, and shall be accorded with the same consideration and treatment as if the well had been drilled vertically to the producing interval. (3-29-12)

331. -- 339. (RESERVED)

340. WELL COMPLETION/RECOMPLETION REPORT AND WELL REPORT.

Within thirty (30) days after the completion of a well drilled for oil or gas, or the recompletion of a well into a different source of supply, or where the producing interval is changed, a completion report shall be filed with the Department, on a form prescribed by the Department. Such report shall include name, number, and exact location of the well; lease name, date of completion and date of first production, if any; name and depth of hydrocarbon reservoir(s), if a multiple completion, from which well is producing; annulus pressure test; initial production test, including oil, gas, and water, if any; a well report as defined in Section 010; and such other relevant information as the Department may require. (3-29-12)

341. DRILLING LOGS.

01. Minimum Required Logs. All wells shall have a lithologic log from the bottom of the hole to the top, to the extent practicable. (3-29-12)

02. Bottom Hole Survey. All wells shall have a bottom hole location survey. (3-29-12)

03. Cement Bond Log. All wells that are cased and cemented shall have a cement bond log run across the casing. (3-29-12)

04. Other Logs. If other logs are run, including, but not limited to, resistivity, gamma-neutron log, sonic log, etc., then the owner or operator shall retain a copy regardless of results. (3-29-12)5

05. Log Submittal. The above logs shall be submitted to the Department in paper and digital formats within thirty (30) days of the log being run. If logs were run in color, then the submitted copies shall also be in color. Digital formats must be Tiff and LAS 2.0 or higher. Logs submitted to the Department must have a scale of one (1) inch for correlation logs and five (5) inches for detail logs. (4-11-15)

342. -- 399. (RESERVED)

SUBCHAPTER E - PRODUCTION

400. PRODUCTION REPORTS.

01. Required Content. An owner or operator must report production on a form created by the Department. Production reports submitted to the Department must include gas quantities sold in thousand cubic feet (mcf), condensate sold in barrel quantities (bbl), oil sold in barrel quantities (bbl), and formational waters produced in barrel quantities (bbl). (4-11-15)

~~**02. Frequency.** Initial production reports must be submitted to the Department no later than the twenty first (21st) day of the month following the sixth month after the beginning of production. After the initial production report, operators must report production monthly to the Department. Monthly reports must be submitted to the Department no later than the twenty first (21st) day of the following month. In the event the twenty first (21st) day of the month falls on a non business day, the report is due the next business day. (4-11-15)~~

03. Annual Production Report. By January 31 of each year, an owner or operator must submit to the Department an aggregated report of all hydrocarbons and formational waters produced and sold or disposed of for each well during the previous calendar year. (4-11-15)

401. MEASUREMENT OF OIL.

The volume of production of oil shall be computed in terms of barrels of clean oil on the basis of meter measurements or tank measurements of oil-level difference made and recorded to the nearest quarter-inch (1/4") of one hundred percent (100%) capacity tables, subject to the following corrections: (10-21-92)

01. Correction for Impurities. The percentage of impurities (water, sand, and other foreign substances, not constituting a natural component part of the oil) shall be determined to the satisfaction of the Department, and the observed gross volume of oil shall be corrected to exclude the entire volume of such impurities. (3-29-12)

02. Temperature Correction. The observed volume of oil corrected for impurities shall be further corrected to the standard volume at sixty (60) Degrees F in accordance with ASTM D-1250-08, Table 7, or any revisions thereof and any supplements thereto, or any close approximation thereof approved by the Department. (3-29-12)

03. Gravity Determination. The gravity of oil at sixty (60) degrees F shall be determined in accordance with ASTM D-1250-08, Table 5, or any revisions thereof and any supplements thereto approved by the Department. (3-29-12)

402. MEASUREMENT OF GAS.

~~**01. Gas Metering.** For protection of correlative rights of all parties, the owner or operator of a natural gas well shall meter or caused to be metered all natural gas produced from a well, utilizing a standard industry meter approved by the American Gas Association and capable of recording accurately the volume of natural gas produced at each well, unless another methodology, approved by the director, is utilized to provide for proper production allocation back to the individual well from a central point production meter or central point sales meter, which ever meter occurs first. (3-29-12)~~

02. Gas Measurement. For computing volume of gas to be reported to the Department, the standard of pressure shall be fourteen point seventy-three (14.73) psi atmospheric, and the standard of temperature shall be sixty (60) Degrees F. All volumes of gas to be reported to the Department shall be adjusted by computation to these standards, unless otherwise authorized by the Department. (3-29-12)

403. GAS-OIL RATIO FOR WELL CLASSIFICATIONS.

In the absence of an order by the Commission setting a field-specific oil-gas ratio, a well that produces gas of five thousand (5,000) cubic feet or greater to one (1) bbl of oil at standard temperature and pressure will be classified as a gas well. (4-11-15)

404. GAS-OIL RATIO LIMITATION.

01. Waste Prevention; Conditions for Emergency Order. To further prevent waste resulting from the production of wells with inefficient gas-oil ratios, the Department may enter an emergency order temporarily prohibiting the production of oil or gas from all wells in a pool producing both oil and gas when the Department believes that waste may be occurring or is imminent in said pool by reason of the operation of wells with inefficient gas-oil ratios. The order shall specify a date for the hearing described in Subsection 404.02 of these rules. The Department may use information provided by an offset operator or an owner or operator in a common source of supply to determine if waste is occurring. (4-11-15)

02. Notice and Cause for Hearing. The Department will notify all offset operators and owners or operators in the common source of supply of the hearing date. A hearing regarding waste due to inefficient gas-oil ratios will held for any of the following reasons: (3-29-12)

i. If an emergency order is issued as described in Subsection 404.01 of these rules. The hearing will be scheduled between five (5) and fifteen (15) days after the effective date of the order. (4-11-15)

ii. Upon application to the Department from any person with an ownership interest in the common source of supply who believes that waste is occurring due to inefficient oil and gas ratios. The application must include credible evidence of such waste. The hearing shall be held within thirty (30) days of the Department receiving the application. (3-29-12)

iii. Prior to an emergency situation and upon its own motion with reasonable cause, the Department may schedule a hearing regarding potential waste due to inefficient gas-oil ratios. (3-29-12)

03. Determination of Inefficient Ratios; Power to Limit Production. If the Department after notice and hearing, whether held upon its own motion, upon the application of an interested party, or pursuant to an emergency order entered as hereinafter provided for, shall find that a well(s) in the pool are operating with inefficient gas-oil ratios, and that waste is occurring or is imminent as a result thereof, it shall enter an order limiting the production of oil and gas from said pool to that amount which the pool can produce without waste and in accordance with sound engineering practice. The order shall also limit the amount of oil or gas, or both, that may be produced from any well in the pool, so that each owner or operator is given an opportunity to produce his just and equitable share in the pool in accordance with sound engineering practice. (3-29-12)

405. GAS-OIL RATIO SURVEYS AND REPORTS.

Within thirty (30) days following the completion or recompletion of each well producing oil and gas and thereafter as the Department may require, the owner or operator of such well shall make a gas-oil ratio test of such well and the results of such test shall be reported to the Department within twenty (20) days after the test is made. Certain wells may be excepted from this rule by the Department upon written request. Entire fields may be excepted from this rule after notice and hearing. (3-29-12)

406. -- 409. (RESERVED)

410. METERS.

01. General Requirements. Meter fittings of adequate size to measure the gas efficiently for the purpose of obtaining gas-oil ratios shall be installed on the gas vent line of every separator or proper connections made for orifice well tester. Well-head equipment shall be installed and maintained in excellent condition. Valves shall be installed so that pressures can be readily obtained on both casing and tubing. (3-29-12)

~~**02. Meter Calibration.** All required meters shall be calibrated at least once per calendar year. The records of such calibration shall be maintained or made available by the owner or operator of the well and shall be available for inspection by the Department. Such records shall be maintained by the owner or operator for a period of at least five (5) years. (3-29-12)~~

03. Visibility. All required meters shall be accessible and viewable by the Department for the purpose of monitoring daily, monthly and/or cumulative production volumes from individual wells. (3-29-12)

411. SEPARATORS.

All flowing oil wells must be produced through an adequate oil and gas separator or emulsion treater, provided, however, the director may approve producing wells without a separator or emulsion treater. (10-21-92)

412. PRODUCING FROM DIFFERENT POOLS THROUGH THE SAME CASING STRING.

No well shall be permitted to produce either oil or gas from different pools through the same string of casing without first receiving written permission from the Department. (3-29-12)

413. GAS UTILIZATION.

After a well is completed and while it is being tested, the owner or operator may flare gas for no more than fourteen (14) days without paying royalties and severance taxes on the flared gas. Under no conditions may gas be flared for more than sixty (60) days after a well is completed or recompleted. Prior to flaring gas, owners or operators must notify the county in which the well is located and all owners of occupied structures within one-quarter (1/4) mile radius of the well. After the owner or operator has tested a well, no gas from such well shall be permitted to escape into the air, and all gas produced therefrom shall be utilized without waste. (4-11-15)

414. -- 419. (RESERVED)

420. TANK BATTERIES.

Tank batteries must meet the following requirements. (4-11-15)

~~01. — Location of Tank Batteries. No tank batteries may be constructed within three hundred (300) feet of existing occupied structures, water wells, canal, ditches, the natural or ordinary high water mark of surface waters, or within fifty (50) feet of highways, as measured from the outermost portion of the tank dike. The owner of a water well or existing occupied structure may provide express written permission to construct a tank battery closer than three hundred (300) feet, but in no event may a tank battery be constructed within one hundred (100) feet of a water well or existing occupied structure. (4-11-15)~~

02. Containment Requirements. All tank batteries consisting of tanks containing produced fluids or crude oil storage tanks or containing tanks equipped to receive produced fluids must be surrounded by tank dikes that meet the following requirements: (4-11-15)

a. Tank dikes must be designed to have a capacity of at least one and one-half (1½) times the volume of the largest tank which the dike surrounds. (4-11-15)

b. The material used to construct a tank dike and the material used to line the bottom and sides of the containment reservoir must have a maximum coefficient of permeability of 10⁻⁹ cm/sec so as to contain fluids and resist erosion. An operator must submit proof of compliance for tank dike liner construction to the Department in the form of a manufacturer's statement of design or a nuclear density test performed by a third party trained to perform the test. (4-11-15)

c. All piping and manmade improvements that perforate the tank dike wall or tank battery floor must be sealed to a minimum radius of twelve (12) inches from the outside edge of the piping or improvement. (4-11-15)

d. Valves and quick-connect couplers on tank batteries must be at least eighteen (18) inches from the inside wall of the tank dike. (4-11-15)

e. Vegetation on the top and outside surface of tank dike must be properly maintained so as to not pose a fire hazard. (4-11-15)

f. A ladder or other permanent device must be installed over the tank dike to access the containment reservoir. (4-11-15)

g. The containment reservoir must be kept free of vegetation, stormwater, produced fluids, other oil and gas field related debris, general trash, or any flammable material. Drain lines installed through the tank dike for

the purpose of draining storm water from the containment reservoir must have a valve installed which must remain closed and capped when not in use. Any fluids collected, spilled or discharged within the containment reservoirs must be removed as soon as practical, characterized, treated if necessary, and disposed in conformance with IDAPA 58.01.16, "Wastewater Rules," and other applicable rules. (4-11-15)

421. -- 429. (RESERVED)

430. GAS PROCESSING FACILITIES.

Gas processing facilities must meet the following requirements. (4-11-15)

~~**01. Location of Gas Processing Facilities.** No gas processing facility may be constructed within three hundred (300) feet of existing occupied structures, water wells, canals and ditches, the natural or ordinary high water mark of surface waters, or within fifty (50) feet of highways, as measured from the outermost portion of the gas processing facility. The owner of a water well or existing occupied structure may provide express written permission to construct a gas processing facility closer than three hundred (300) feet, but in no event may a gas processing facility be constructed within one hundred (100) feet of a water well or existing occupied structure. (4-11-15)~~

02. Operations. Operators of gas processing facilities must notify the Department which wells, by API number, are served by a gas processing facility. All gas processing facilities not constructed on a well site must comply with the requirements in Sections 301 and 302 of these rules. (4-11-15)

03. Meters and Facility Plans. Gas processing facilities must account for all liquids and gas entering and leaving the facility with accurate meters. A supervisory control and data acquisition systems or other data recording system must be used to monitor the liquids and gas in the facility. Operators of gas processing facilities must submit an as-built facility design plan to the Department upon completion of the facility, a facility design plan must contain at the minimum: (4-11-15)

- a. Site layout; (4-11-15)
- b. Piping and instrumentation diagram; (4-11-15)
- c. Process Flow schematics; (4-11-15)
- d. Electronic controls and sensing schematic; (4-11-15)
- e. Equipment operations and maintenance manuals for, pumps, meters, heat exchangers and any other operationally critical equipment that requires periodic maintenance and calibration; (4-11-15)
- f. Periodic maintenance schedule for critical equipment; (4-11-15)
- g. Troubleshooting metric; and (4-11-15)
- h. Other information or documentation necessary for the safe and continued operation of a gas processing facility. (4-11-15)

04. Flaring. Flaring at gas processing facilities must be in conformance with IDAPA 58.01.01, Rules for the Control of Air Pollution in Idaho, and any permit issued by the IDEQ. (4-11-15)

05. Inspections. Gas processing facilities must have site specific facility design plans and a log book of gas metered in and out of the facility available for review by Department staff during the inspections of gas processing facilities. During inspections, gas process facility staff must demonstrate knowledge of all operations and the location of all emergency shut off equipment, direction of flow lines, and heat exchangers. The Department will conduct quarterly inspections of facilities. (4-11-15)

~~**06. Reports.** A quarterly report must be submitted to the Department accounting for receipt,~~

~~processing, and disposition of all gas by the gas processing facility within the reporting period. The report is due to the Department by the twenty first (21st) day following the end of the reporting period. (4-11-15)~~

431. -- 499. (RESERVED)

SUBCHAPTER F - WELL ACTIVITY AND RECLAMATION

500. ACTIVE WELLS.

01. Gas Storage Wells. Gas storage wells are to be considered active at all times unless physically plugged. (3-29-12)

02. Extension of Active Status. An owner or operator may request an extension of active well status for wells that are idled for more than twenty-four (24) continuous months. The owner or operator shall provide a written request to the Department stating the reason for the extension, the length of extension, the method used to close the well to the atmosphere, and the plans for future operation. The Department shall review the request for approval, modification, or denial, and shall set the duration of the extension if approved. An extension shall not exceed five (5) years and may be renewed upon request. (3-29-12)

03. Annual Reports for Active Wells. The owner or operator shall submit an annual report to the Department describing the current status of the well and the plans for future well operation by January 31 of each year. Failure to submit the annual report may result in the Department declaring the well inactive. (4-11-15)

501. INACTIVE WELLS.

01. Determination of Inactive Status. The Department shall declare a well inactive after twenty-four (24) continuous months of inactivity if the owner or operator has not received approval for an extension of active status, or after an owner or operator fails to submit an annual report for an active well. The Department will immediately notify an owner or operator of this determination by certified mail, and the owner or operator may appeal this determination to the Commission. (3-29-12)

02. Owner's or Operator's Responsibility for Inactive Wells. The owner or operator must plug and abandon an inactive well in accordance with Section 502 of these rules within six (6) months of being notified by the Department unless the owner or operator supplies the following information within the six-month time period: (4-11-15)

a. A written request to extend inactive status; (3-29-12)

b. An individual bond, as provided for in Subsection 220.03 of these rules, if the well was covered by a blanket bond; and (4-11-15)

c. A description of how the well is closed to the atmosphere with a swedge and valve, packer, or other approved method, and how the well is to be maintained. (3-29-12)

03. Inactive Review and Decision. The Department shall review the request for approval, modification, or denial, and shall set the duration of the extension if approved. An extension shall not exceed three (3) years and may be renewed upon request. (3-29-12)

04. Testing of Inactive Wells. In addition to the requirements of Section 320 of these rules, inactive wells shall have a mechanical integrity test performed within two (2) years after the date of last use in order to retain inactive status. (4-11-15)

05. Converting Inactive Wells to Active Wells. The owner or operator must apply to the Department to change the status of a well from inactive to active. The Department shall review the request for approval, modification, or denial. A mechanical integrity test may be required by the Department if the well has been worked

over or if a test has not been conducted for five (5) years or longer. If approved, the well may again be covered by a blanket bond. (3-29-12)

502. WELL PLUGGING.

01. Plugging Required. The operator or owner shall not permit any well drilled for oil, gas, saltwater disposal or any other purpose in connection with the production of oil and gas, to remain unplugged after such well is no longer used for the purpose for which it was drilled or converted. (10-21-92)

02. Notice of Intention to Abandon Well. Before beginning abandonment work on an oil or gas well, a Notice of Intention to Abandon shall be filed with the Department and approval obtained as to the method of abandonment before the work is started. The notice must show the reason for abandonment and must give a detailed statement of the proposed work, including such information as kind, location, and length of plugs (by depths), and plans for mudding, cementing, shooting, testing, and removing casing as well as any other pertinent information. (3-29-12)

03. Plugging Dry Holes. If a nonproductive well, or dry hole, is drilled and not needed for any specific purpose, it must be plugged and abandoned prior to removal of the drill rig. A verbal notification and approval may be used for dry holes in lieu of the written notification referenced in Subsection 502.02 of these rules. The standards in Subsections 502.04 through 502.06 of these rules will still apply. (4-11-15)

04. Plugging of Wells. The owner or operator of any well drilled for oil or gas, or any seismic, core, or other exploratory holes, whether cased or uncased, and regardless of diameter shall be responsible for the plugging of said hole in a manner sufficient to properly protect all freshwater-bearing and possible or probable oil- or gas-bearing formations. The material used in plugging, whether cement, mechanical plug, or some other equivalent method approved in writing by the Director, must be placed in the well in a manner to permanently prevent migration of oil, gas, water, or other substance from the formation or horizon in which it originally occurred. The preferred plugging cement slurry is that recommended in API Bulletin E3. Pozzolan, gel, and other approved extenders may be used if the owner or operator can document to the Department's satisfaction that the slurry design will achieve a minimum compressive strength of three hundred (300) psi after twenty-four (24) hours, and eight hundred (800) psi after seventy-two (72) hours measured at ninety-five (95) degrees F and at eight hundred (800) psi. No substances of any nature or description other than those normally used in plugging operations shall be placed in any well at any time during plugging operations. (3-29-12)

05. Plugged Intervals. The following plugging standards shall be followed for all wells: (3-29-12)

a. Cement must be placed for a length of at least one hundred (100) feet on either side of each casing shoe, or casing bottom if no shoe is present. If the bottom of the hole is less than one hundred (100) feet from the bottom of the lowest casing, then the entire length of the uncased hole below the casing will be cemented. (3-29-12)

b. In the uncased portions of a well, cement plugs must be placed to extend from one hundred (100) feet below the bottom up to one hundred (100) feet above the top of any oil, gas, and abnormally high pressure zones, so as to isolate fluids in the strata in which they are found and to prevent them from escaping into other strata. (3-29-12)

c. A cement plug shall be placed a minimum of one hundred (100) feet above all producing zones in uncased portions of a well. (3-29-12)

d. A cement plug shall be placed a minimum of fifty (50) feet above and below the following intervals: (3-29-12)

i. Where the casing is perforated or ruptured. If no cement is present behind the casing, then cement must also be squeezed out the perforations or ruptures and into the annular space between the casing and the borehole. (3-29-12)

ii. Top and bottom of fresh water zones. If fresh water zone is less than one hundred (100) feet thick,

then continuous cement must be placed from fifty (50) feet below the zone upward to fifty (50) feet above the zone. (3-29-12)

- e. The top of all cement plugs will be tagged to verify their depth. (3-29-12)
- f. The owner or operator shall have the option as to the method of placing cement in the hole by: (3-29-12)
 - i. Dump bailer; (3-29-12)
 - ii. Pumping a balanced cement plug through tubing or drill pipe; (3-29-12)
 - iii. Pump and plug; or (3-29-12)
 - iv. Equivalent method approved by the Director prior to plugging. (3-29-12)
- g. Unless prior approval is given, all wellbores shall have water based drilling muds, high viscosity pills, or other approved fluids between all plugs. (3-29-12)
- h. All abandoned wells shall have a plug or seal placed at the surface of the ground or the bottom of the cellar in the hole in such manner as not to interfere with soil cultivation or other surface use. The top of the pipe must be sealed with either a cement plug and a screw cap, or cement plug and a steel plate welded in place or by other approved method, or in the alternative be marked with a permanent monument which shall consist of a piece of pipe not less than four (4) inches in diameter and not less than ten (10) feet in length, of which four (4) feet shall be above the general ground level, the remainder to be embedded in cement or to be welded to the surface casing. (3-29-12)

06. Subsequent Report of Abandonment. If a well is plugged or abandoned, a subsequent record of work done must be filed with the Department. This report shall be filed separately within thirty (30) days after the work is done. The report shall give a detailed account of the manner in which the abandonment of plugging work was carried out, including the weight of mud, the nature and quantities of materials used in plugging, the location and extent (by depths) of the plugs of different materials, and the records of any tests or measurements made and of the amount, size, and location (by depths) of casing left in the well. If an attempt was made to part any casing, a complete report of the method used and the results obtained must be included. (3-29-12)

07. Wells Used for Fresh Water (Cold Water < 85 degrees Fahrenheit), Low Temperature Geothermal (85 - 212 Degrees Fahrenheit) or Geothermal Wells (>212 Degrees Fahrenheit). (3-29-12)

- a. Oil and gas wells, seismic, core or other exploratory holes no longer being used for their original purpose may not be converted into fresh water, low temperature geothermal, or geothermal wells unless the following actions occur: (3-29-12)
 - i. Owner, operator, or surface owner files an application with the IDWR describing the conversion and the proposed use for the water or geothermal resource and any modifications necessary to meet the applicable well construction standards; (3-29-12)
 - ii. The surface owner provides written documentation assuming responsibility for the converted well including, should it become necessary, decommissioning (plugging) of the converted well in accordance with applicable law; (3-29-12)
 - iii. IDWR issues a permit for a geothermal resource well, a water right, or recognizes a domestic exemption authorizing the withdrawal of water from the converted well; and (3-29-12)
 - iv. A licensed driller in Idaho inspects and certifies that the converted well meets all well construction standards for its intended purpose. (3-29-12)

b. The Department's bond may not be released, and the oil and gas permit cancelled, until all requirements in Paragraph 502.07.a. of these rules are met. (4-11-15)

503. -- 509. (RESERVED)

510. SURFACE RECLAMATION.

01. Timing of Reclamation. After the plugging and abandonment of a well or closure of other oil and gas facilities, all reclamation work described in this Section shall be completed within twelve (12) months. The Director may grant an extension where unusual circumstances are encountered, but every reasonable effort shall be made to complete reclamation before the next local growing season. (3-29-12)

02. General Clean Up. All debris, abandoned gathering line risers and flowline risers, surface equipment, supplies, rubbish, and other waste materials shall be removed within three (3) months of plugging a well. The burning or burial of such material on the premises shall be performed in accordance with applicable local, state, or federal solid waste disposal and air quality regulations. In addition, material may be burned or buried on the premises only with the prior written consent of the surface owner. (3-29-12)

03. Road Removal. All access roads to plugged and abandoned wells and associated production facilities shall be ripped, regraded, and recontoured unless otherwise specified in a surface use agreement. Culverts and any other obstructions that were part of the access road(s) shall be removed. Roads to be left will be graded to drain and prepared with rolling dips or other best management practices to minimize erosion. (3-29-12)

04. Regrading. Drill pads, pits, berms, cut and fill slopes, and other disturbed areas will be regraded to approximate the original contour. Where possible, slopes should be reduced to three (3) horizontal feet to one (1) vertical foot (3H:1V) or flatter. (3-29-12)

05. Compacted Areas. All areas compacted by drilling and subsequent oil and gas operations that are no longer needed following completion of such operations shall be cross-ripped. Ripping shall be undertaken to a depth of eighteen (18) inches or bedrock, whichever is reached first. (3-29-12)

06. Topsoiling. Stockpiled topsoil shall be replaced in a manner that will support reestablishment of the pre-disturbance land use and contoured to control erosion and provide long-term stability. If necessary, topsoiled areas shall be tilled adequately in order to establish a proper seedbed. (3-29-12)

07. Revegetation. (3-29-12)

a. The owner or operator shall select and establish plant species that can be expected to result in vegetation comparable to that growing on the affected lands prior to the oil and gas operations. Certified weed free seed should be used in revegetation. The owner or operator may use available technical data and results of field tests for selecting seeding practices and soil amendments that will result in viable revegetation. (3-29-12)

b. The disturbed areas shall be reseeded in the first favorable season following rig demobilization, site regrading, and topsoil replacement. (3-29-12)

c. Unless otherwise specified in the approved permit, the success of revegetation efforts shall be measured against the existing vegetation on site prior to the oil and gas operations, or against an adjacent reference area supporting similar types of vegetation. Reseeding or replanting is required until the following cover standards are met: (3-29-12)

i. The ground cover of living plants on the revegetated area should be comparable to the ground cover of living plants on an adjacent reference area for two (2) full growing seasons after cessation of soil amendment or irrigation, if used; (3-29-12)

ii. Ground cover shall be considered comparable if the planted area has at least seventy percent (70%) of the pre-disturbance, or adjacent reference area, ground cover; (3-29-12)

iii. For locations with an average annual precipitation of more than twenty-six (26) inches, the Department, in approving a drilling permit or a pit, may set a minimum standard for success of revegetation as follows: Vegetative cover of seventy percent (70%) for two (2) full growing seasons in areas planted to herbaceous species only; or fifty percent (50%) vegetative cover for two (2) full growing seasons and six hundred (600) woody plants per acre in areas planted to a mixture of herbaceous and woody species; (3-29-12)

iv. As used in this section, “herbaceous species” means grasses, legumes, and other forbs; “woody plants” means woody shrubs, trees, and vines; and “ground cover” means the area of the ground surface covered by the combined aerial parts of vegetation and the litter that is produced naturally on-site, expressed as a percentage of the total area measured. Rock surface areas will be excluded from this calculation; and (3-29-12)

v. In all cases, vegetative cover shall be established to the extent necessary to control erosion. (3-29-12)

d. Introduced species may be planted if they are known to be comparable to previous vegetation, or if known to be of equal or superior use for the approved post-reclamation land use, or, if necessary, to achieve a quick, temporary cover for soil stabilization purposes. Species classified as poisonous or noxious weed species shall not be used in revegetation. (3-29-12)

e. By mutual agreement of the Department, the surface owner, and the owner or operator, a site may be converted to a different, more desirable or more economically suitable habitat. (3-29-12)

f. Planting of grasses and forbs should be done in a manner which promotes rapid stabilization of the soil surface. Wherever terrain permits, grasses and forbs should be drilled or compacted into the ground using agricultural grass planting equipment or other seeders specifically designed for revegetation applications. Broadcast and hydroseeding may be used on areas where other methods are impractical or unavailable. (3-29-12)

g. The owner or operator should plant shrubs or shrub seed, as required, where shrub communities existed prior to oil and gas operations. Shrub seed may be planted as a portion of a grass seed mix or planted as bare-root transplants after grass seeding. Where the surface owner desires a specific land use such as grazing or cropland, shrubs will not be required in the revegetation species mix. Shrub lands undergoing revegetation with shrubs shall be protected from erosion by vegetation, chemical binders, or other acceptable means during establishment of the shrubs. (3-29-12)

h. Tree stocking of forestlands should meet the following criteria: (3-29-12)

i. Trees that are adapted to the site should be planted in a density which can be expected over time to yield a timber stand comparable to pre-disturbance timber stands; (3-29-12)

ii. Trees shall be established for two (2) full growing seasons after cessation of any soil amendments and irrigation before they are considered to be established; and (3-29-12)

iii. Forestlands undergoing revegetation with trees should be protected from erosion by vegetation, chemical binders, or other acceptable means during seedling establishment. (3-29-12)

i. Revegetation is not required on areas that the surface owner wishes to incorporate into an irrigated field and any roads which will be used for other oil and gas operations. (3-29-12)

j. Mulch should be used on severe sites and may be required by the permit where slopes are steeper than three (3) horizontal feet to one (1) vertical foot (3H:1V) or the mean annual rainfall is less than twelve (12) inches. When used, straw, or hay mulch should be obtained from certified weed free sources. “Mulch” means vegetation residues or other suitable materials to aid in the stabilization of soil and soil moisture conservation which will provide a micro-climate more suitable for germination and growth on severe sites. Annual grains such as rye, oats, and wheat may be used as a substitute for mulch where they will provide adequate protection and will be replaced by permanent species within a reasonable length of time. (3-29-12)

08. Reclamation Under a Surface Use Agreement. Notwithstanding the requirements of Subsections 510.03 through 510.07 of this rule, reclamation may be superseded by the conditions of a surface use agreement as long as the site is left in a stable, non-eroding condition that will not impact fresh waters. (4-11-15)

511. -- 999. (RESERVED)

DRAFT



Omnibus Rulemaking Timeline

<u>Docket Number 20-0000-1900F and IDAPA 20.07.02 Rules Governing Conservation of Oil and Natural Gas in the State of Idaho</u>	
<u>To be presented before the 2020 Legislative Session</u>	
<u>DATE</u>	<u>ACTION</u>
May 8, 2019	Present to the Oil and Gas Conservation Commission
May 10, 2019	Submit Notice of Omnibus Rulemaking to DFM
June 19, 2019	Bulletin 'Special Edition' Posted
June 19, 2019	Public Comment Period Opens for Proposed Rulemaking
June 30, 2019	Temporary Rule in Effect
July 10, 2019	Public Comment Period Closes for Proposed Rulemaking

Division Administrator: Mick Thomas
Program Manager: James Thum

IDAPA XX – AGENCY NAME
DOCKET NO. XX-0000-1900F

NOTICE OF OMNIBUS RULEMAKING - TEMPORARY AND PROPOSED FEE RULEMAKING

EFFECTIVE DATE: The effective date of the temporary rule(s) listed in the descriptive summary of this notice is June 30, 2019.

AUTHORITY: In compliance with Sections 67-5221(1) and 67-5226, Idaho Code, notice is hereby given that this agency has adopted temporary rules, and proposed rulemaking procedures have been initiated. The action is authorized pursuant to Section(s) *(include each statute giving the agency authority for rulemaking)*, Idaho Code.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule and a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This temporary and proposed rulemaking adopts and re-publishes the following existing and previously approved and codified chapters under IDAPA XX, rules of the *(agency, board or commission name)*:

IDAPA XX (list all chapters to be re-published in a separate bullet)

- XX.XX.XX, *(Chapter Title)*
- XX.XX.XX, *(Chapter Title)*

TEMPORARY RULE JUSTIFICATION: Pursuant to Section(s) 67-5226(1) and 67-5226(2), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

These temporary rules are necessary to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens. These previously approved and codified rules implement the duly enacted laws of the state of Idaho, provide citizens with the detailed rules and standards for complying with those laws, and assist in the orderly execution and enforcement of those laws. The expiration of these rules without due consideration and processes would undermine the public health, safety and welfare of the citizens of Idaho and deprive them of the benefit intended by these rules. *[Add 1-3 sentences with agency specific findings]*.

The fee or charge imposed by the rule(s) is necessary to avoid immediate danger. The fee(s) or charge(s) reauthorized in this rulemaking are currently existing and have been previously promulgated by the agency and reviewed and approved by the Legislature. These fees and charges are part of the dedicated fund portion of the state budget, which makes up a material portion of the FY2020 budget. The FY2020 budget has already been set by the Legislature and passed into law. That budget relies upon the existence of these fees and charges to meet the state's obligations and provide necessary state services. Failing to reauthorize these fee rules would create immediate danger to the state budget, immediate danger to necessary state functions and services, and immediate danger of a violation of Idaho's constitutional requirement that it balance its budget. *[Add agency specific findings on a chapter-by-chapter basis]*.

FEE SUMMARY: The preceding section and the attached rules provide a specific description of the fee or charge imposed or increased by this rulemaking. This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously approved and codified in the prior rules. *[Add description of each fee category]*

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY2020 budget has already been set by the Legislature,

and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because of the need to adopt the rules as temporary, and because these existing chapters of IDAPA are being re-published and re-authorized. Negotiated rulemaking also is not feasible because of the need to implement these rules before they expire; the rules form the regulatory framework of the laws of this state and have been previously promulgated and reviewed by the legislature pursuant to the Idaho Administrative Procedures Act, Chapter 52, Title 67, Idaho Code; and because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the temporary and proposed rules attached hereto.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the temporary and proposed rule, contact (*include the appropriate name and phone number*).

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

DATED this June 19, 2019.

Name

Title

Agency/Division

Physical Address

Mailing Address,

City, State and Zip

Phone, fax
