



IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair
Ray Hinchcliff, Vice Chair
Jim Classen, Commissioner
Dustin Miller, Commissioner
Marc Shigeta, Commissioner

Mick Thomas, Secretary to the Commission

Final Minutes
Idaho Oil and Gas Conservation Commission Special Meeting
April 12, 2022

The special meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, April 12, 2022, with the physical location at Idaho Department of Lands Office, Garnet Conference Room, 300 N. 6th St., Suite 103, Boise, Idaho. There was also a teleconference option. The meeting began at 2:35 p.m. (MT). Chairman Betty Coppersmith presided. The following members were present:

Vice Chairman Ray Hinchcliff
Commissioner Dustin Miller

For the record, a quorum was in attendance; Chairman Coppersmith, Commissioner Miller, and Secretary Thomas were present at the physical location. Vice Chairman Hinchcliff called in via teleconference. Commissioner Classen was absent.

- **ANNOUNCEMENTS**

Chairman Coppersmith expressed personal and Commission condolences to the family and friends of Marc Shigeta. Commissioner Shigeta brought unique experience and background to the Commission and was well-respected. Secretary Thomas echoed the sentiment about the loss of Commissioner Shigeta. He also stated that the obituary was online for those who wanted to know about the funeral arrangements.

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

- **INFORMATION**

1. **Proposed Legislation for Title 47, Chapter 3, Idaho Code for the 2023 Legislative Session – Presented by Mick Thomas, Division Administrator – Minerals, Navigable Waters, and Oil & Gas**

The audio recording of this agenda item is available by request to the Department of Lands, Attn: Oil and Gas Commission Recording Secretary, PO Box 83720, Boise, Idaho 83720-0050 or by email to public_records_request@idl.idaho.gov.

- **REGULAR – ACTION ITEM(S)**

2. **Changes to the Role of the Commission – Proposed Changes to Idaho Code 47 §§ 315, 316 and 328** – Presented by Mick Thomas, Division Administrator – Minerals, Navigable Waters, and Oil & Gas

RECOMMENDATION: Provide direction to the Department as to which option the Commission seeks moving forward regarding Idaho Code 47 §§ 315, 316, and 328.

DISCUSSION: Commissioner Miller noted that a good reason to potentially change this would be to give the commissioners a more hands-on approach. While he added that he does not have a technical background, it would utilize the expertise that there is on the Commission. Chairman Coppersmith explained that she has looked at the information and has weighed the benefits and downsides to making changes. Chairman Coppersmith added that she believes that changing the authority of the Commission may make the application process take longer; she does not see any issues with the existing process and is leaning to not make any changes to the existing order. Vice Chairman Hinchcliff explained that his thoughts were in line with Chairman Coppersmith and that the process we have now seems to work. He believes that changing it could add more time delays and is in favor of staying with the current appellate process. Chairman Coppersmith pointed out that the Commission will be discussing changing the composition of the Commission and that the composition of the Commission can change over time, so they don't want to create something that is not workable by making changes with unintentional consequences. Commissioner Miller agreed with both Chairman Coppersmith and Vice Chairman Hinchcliff.

COMMISSION ACTION: A motion was made by Vice Chairman Hinchcliff to maintain the process that is currently being followed and make no changes. Commissioner Miller seconded the motion. The motion carried on a vote of 3-0.

3. **Changes to the Composition of the Commission – Proposed Changes to Idaho Code 47 § 314** – Presented by Mick Thomas, Division Administrator – Minerals, Navigable Waters, and Oil & Gas

RECOMMENDATION: Provide direction to the Department as to which option the Commission seeks moving forward regarding Idaho Code 47 § 314.

DISCUSSION: Vice Chairman Hinchcliff stated that he does not agree with the current language that is being presented; he thinks a mineral interest owner on the Commission is a conflict of interest. That person would have to recuse themselves from decisions being made especially when that person is from where all the oil and gas development is taking place. Vice Chairman Hinchcliff opened the discussion regarding having two technical members. Chairman Coppersmith agreed and is okay with having two members having a technical degree. Chairman Coppersmith noted that giving the governor flexibility for the third person would give him the ability to appoint someone who he believes is relevant for the purpose of the Commission. Commissioner Miller also agreed that having a mineral interest owner does present a conflict of interest and would be problematic for the decision-making process. Commissioner Miller added that having at least two members knowledgeable in oil and gas would be appropriate and having a non-industry person can bring a different perspective to the table. Commissioner Miller also agreed that the governor can select another person with or without that background. Chairman Coppersmith inquired about

rejecting the existing language and having Secretary Thomas draft another version. Secretary Thomas responded that it was a good question and reiterated that his understanding was that the Commission was choosing option three and that the Commission has offered some prescription as to what that would look like. Vice Chairman Hinchcliff stated that he would go along with two members that had a college degree in geoscience and engineering with five years of experience and the other two members would be preferred to have a technical degree but not a requirement. Vice Chairman Hinchcliff explained that someone may not have a technical degree but has worked in the oil and gas industry for years. Commissioner Miller noted that since this was on the regular agenda, it warrants a vote of some sort. Secretary Thomas suggested that if the Commissioners can agree on what they want it to look like, he will put it in the next draft for the May meeting for a final vote. Chairman Coppersmith clarified that her preference is a county commissioner where oil and gas is being produced, two members knowledgeable in oil and gas with a college degree in geoscience or engineering, and two members who are appointed by the governor that may or may not be a technical person. Vice Chairman Hinchcliff thought that sounded great and that language would be satisfactory. Commissioner Miller also agreed. After the vote, Vice Chairman Hinchcliff recommended that Chairman Coppersmith and Secretary Thomas meet and go over the language to be ready for the May meeting. Chairman Coppersmith and Secretary Thomas agreed to do that.

COMMISSION ACTION: A motion was made by Commissioner Miller that a decision be deferred to the regular Oil and Gas meeting in May. Vice Chairman Hinchcliff seconded the motion. The motion carried on a vote of 3-0.

4. Changes to Standard Spacing / Unit Size for Oil and Gas Wells - Proposed Changes to Idaho Code 47 § 317 – Presented by Mick Thomas, Division Administrator – Minerals, Navigable Waters, and Oil & Gas

RECOMMENDATION: Provide direction to the Department as to which option the Commission seeks moving forward regarding Idaho Code 47 § 317.

DISCUSSION: Chairman Coppersmith opened the discussion that she did some research on this and did not find that 160 acres was standard. She added that going with an industry standard would be good, so she is leaning toward making the standard 640 acres. Vice Chairman Hinchcliff inquired if the operator can ask for a 160-acre unit at a later date. Secretary Thomas responded that was correct; that an operator or applicant can come forward with a unit size that they think fits the resource. Vice Chairman Hinchcliff explained that with that flexibility, he is okay with the 640-acre statewide spacing language. Commissioner Miller asked for the explanation on the rationale behind this. Secretary Thomas responded that the biggest reason it is being considered is that a mineral interest owner who is subject to standard spacing would have to be noticed on a unit basis. James Thum also provided some background on the reasoning for 160 acres. At the time the statute was changed in 2017, BLM had not reached a decision about leasing for oil and gas activities in the Payette area. Potential operators felt if they could have a 160-acre option without a hearing process, they could drill wells without including BLM lands. Commissioner Miller asked what moving to a 640-acre option does for the mineral interest owner. Secretary Thomas responded that it eliminates the possible need for an additional notice to tell a mineral interest owner that they are going to be involved and could speed up the process a little bit if the 640-acre is the go-to unit size.

