



# Idaho Oil and Gas Conservation Commission

Volume I, Issue I

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## Special points of interest:

- RBDMS Installation
- PAG Report is Available
- Operator Activity

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## RBDMS - Risk Base Data Management System

The Risk Base Data Management System (RBDMS) has been fully explored by Director Schultz and Eric Wilson, Minerals Program Manager for the last two years, as an option for the oil and gas program for tracking notices, sundries, public disclosure and permit maintenance.

The process began with ALL Consultant services, a software programming consultant of the Ground Water Protection Council (GWPC), meeting in Boise, with IDL staff for a needs assessment. The next steps were to flesh-out a requirements document, based on the needs assessment. As ALL Consultants had never been required to document their work in this type of documentation, the learning curve for ALL Consultants and IDL was steep, but achieved. Soon after the requirements document was completed, the contract was inked between GWPC and IDL.

We received the first iteration of IDL/IOGCC specific software on the 10<sup>th</sup> of December. The second iteration was received on the 14<sup>th</sup> of January. Once we receive each iteration we begin testing and debugging the software, through the IDL's IT program. We will have a total of six iterations to test in the first phase. The first phase of the system will be completed in June of 2014. In addition to the first phase, two more phases will complete in 2014 and 2015.

The RBDMS program is used by 23 other states in administration of their Oil and Gas Programs. Idaho is one of three states that are installing the RBDMS system at this time; the other states are Michigan and Ohio. In November, Jay McCoid, IT Project Manager and I attended training and roundtable discussions in Washington D.C. for RBDMS. The GWPC software contractors and RBDMS member states participated in the training. The IDL delegates also participated in the roundtable discussion, which outlined the direction and technology for the RBDMS program. (Continued on Page 2.)



IT Project Manager Jay McCoid and Oil and Gas Program Manager Bobby Johnson in Washington D.C. for the RBDMS steering Committee.

## PAG Report No. 33

The Policy Analysis Group (PAG) was created by the Idaho Legislature for analysis of public policy issues in the realm of natural resources and land use. The PAG has been in existence since 1989.

The report that is attached is the thirty-third report the PAG has produced on such matters in its 25 year existence. As with any legislatively mandated policy research or analysis, the PAG is required to report the findings of its work and make it available to the public at no charge.

IDL personnel along with other experts in the state, were utilized to review the report when it was presented in draft form at the beginning of the 4<sup>th</sup> quarter of 2013. Key issues the IDL focused on were accurate representation of Idaho Administrative Code 20.07.02 and best management practices performed by operators in the field. Any other issues that were found were documented in the peer review and forwarded to the authors. Other experts such as the Idaho Geologic Society and David Hawke provided as well.

Please see the attached PAG report for the full analysis performed on oil and gas exploration in Idaho. Should you have further questions, feel free to call Bobby Johnson.



**“We look forward to the implementation of such a powerful tool to assist the IDL and the Oil and Gas Conservation Commission in our duties”**



**Washington County Courthouse**

## RBDMS (continued from pg. 1.)

Sat in for demonstrations of new software updates, such as well finder applications for cell phones and inspector specific software, which enables field staff to take pictures and document well visits using tablets. During the roundtable discussions, member states were encouraged to discuss issues they have had with the RBDMS system in the last year and fixes that were used for those issues.

As with any software system, changes are needed to keep up with emerging technology. RBDMS was first distributed to member states the early 1990's on floppy disks. The program is very flexible in its ability to adapt to new technology and all changes that are made come from the members states. In essence the RBDMS system is a cooperative effort by 23 states to regulate the oil and gas industry by adding or subtracting features as needed.

RBDMS will be accessible, in phase three to the public, via the internet. RBDMS will also communicate with Fracfocus.org for clear disclosure of all chemicals that are used in the hydraulic fracturing process, for any well that is drilled in Idaho. This allows the IDL to be transparent with the citizens of Idaho.

We look forward to the implementation of such a powerful tool to assist the IDL and the Oil and Gas Conservation Commission in our duties.

## Oil and Gas Auction by Emily Callihan

Oil and gas leases for more than 8,700 acres of State owned lands and minerals were auctioned January 16, 2014 at the Idaho Department of Lands (IDL) in Boise.

Alta Mesa Idaho (AM Idaho LLC) was awarded leases on all 8,714 acres and paid \$694,373 in bonus bids. The other bidder was Trendwell Energy Corp.

The leases were for approximately 3,475 acres in Canyon County; 2,355 acres in Gem County; 1,443 acres in Payette County; 944 acres in Owyhee County; and 495 acres in Washington County.

The high competitive bid was \$300 per acre and the largest total bid was \$83,840 for one tract containing 640 acres in Gem County. The average bid per acre was \$79.68.

Approximately 4,583 acres auctioned for lease are owned by the *State endowment trust*, and approximately 4,130 acres are owned by the *public trust*.

Lands and minerals owned by the *State endowment trust* are managed under a Constitutional mandate to generate maximum long-term income for public schools and other specific State beneficiaries. Today's auction generated \$456,706 in bonus bids for the endowment trusts, most of which will go to Idaho's public schools. (Continued on Pg. 3)

## Washington County Oil and Gas Ordinance

Washington County is working on changing the current ordinance in order to attract oil and gas exploration to the county. In anticipation of changing the ordinance the Planning and Zoning Committee held a public hearing. As you may know our very own Commissioner Chipman lives and plays in Washington County. At Commissioner Chipman's request, Bobby Johnson, IDL Oil and Gas Program Manager attended the Planning and Zoning Committees hearing on the 21st of January.

The Washington County Planning and Zoning Committee received public comment during the hearing and planned to issue a finding at a later date. The atmosphere of the meeting was positive in respect to oil and gas exploration in Washington County, with the county trying to understand the needs of the industry balanced with those of their citizens.

During the meeting many of those who attended chose to speak. Of the majority whom spoke, only a few were completely against exploration. Many of those residents, whom spoke, were more concerned with environmental impacts to groundwater resources and baseline testing, land-owners with out mineral rights, road maintenance agreements, bonding and setbacks of oil wells from structures.

## Oil and Gas Auction (continued from pg. 2)

Public trust lands and minerals are located in the beds of Idaho's navigable waterways. They are owned by the State of Idaho and managed for the public benefit, generating income for the State General Fund. Today's auction generated \$237,667 in bonus bids for the General Fund.

The public trust acres auctioned for lease today are located in the beds of the Snake, Payette, and Boise Rivers.

No "surface occupancy" or drilling can occur on any of the tracts located in the river. Wells and related surface infrastructure also is prohibited within a quarter mile of the mean high water mark of the river unless otherwise approved by IDL.

Various other stipulations were put in place for all tracts auctioned, in order to protect the environment, surface owners (where split estate scenario was present), and other values. Today's auction brings the total amount of State lands and minerals leased for oil and gas development to nearly 80,000 acres. Thousands more acres of privately owned lands and minerals also are leased for oil and gas development in Idaho. For federally owned lands and minerals, the Bureau of Land Management is not issuing any new oil and gas leases in Idaho until the agency completes planning for mitigation of sage grouse habitat. Thirteen wells in Idaho are drilled and ready for development or already in development.

The next auction for State oil and gas leases is scheduled for April 17, 2014, and the deadline to submit nominations for tracts to be included in that auction is Feb. 14, 2014.



Dean Johnson, Bob Brammer, Bob Pietras, Tom Schultz, Bobby Johnson, Nancy Welbaum all visit the State #1-17 on a foggy Friday in January

## Trendwell West, Inc.

In the past few months a new operator has been quietly working behind the scenes to prepare for a new venture in south western Idaho. Trendwell West, Inc. Is a subsidiary of Trendwell Energy Corp., of Rockford Michigan. Currently Trendwell has 10 employees, landmen, field supervisor and support staff working in the area.

At the time of this printing, Trendwell has an application for a Permit to Drill an Oil well in Canyon County. The Smith #1-10 is set on a 40 acres spacing unit in accordance with IDAPA 20.07.02.330.01. According to the well prognosis, the company plans to drill to a total depth of 5200 feet, with four different possible oil bearing strata being evaluated for completion and production capabilities. Trendwell has met with IDL staff on several occasions to clarify roles and rules to ensure a smooth transition to a new set of regulations and new area. Some of the staff members of Trendwell are former employees of Bridge Energy.

We at IDL welcome Trendwell as a new operator to the area and hope for their prosperity and a safe exploratory experience, while operating in Idaho.

*“Currently Trendwell has 10 employees, landmen, field supervisor and support staff working in the area.”*

## AM Idaho, LLC

In the past few months plans have changed and routes have been explored for the gathering lines and main pipeline for AM Idaho's collection system. As with any endeavor of this size, some growing pains have been had. Although things are slower than the company had anticipated last year when it started the permitting process, they now have several viable routes planned.

Am Idaho has also made history, yet again in Idaho with the production of the State #1-17/ API #11-075-20-005. The State #1-17 is located on Idaho State endowment lands. Am Idaho in co-operation with Intermountain Gas has setup an alternate supply of natural gas for the Town of New Plymouth. The operator has purchased a reconditioned glycol dehydration station and installed the station to condition gas for New Plymouth. On the 6th of January the dehydration station went into operation. With some fine tuning as well as babysitting on the part of AM Idaho's field staff, the State #1-17 is now providing all of New Plymouth's natural gas supply. As with all dehydration units, some fine tuning is always needed. A secondary valve is in place from the Williams Pipeline should the State #1-17 need to be taken offline for maintenance.



**OIL AND GAS  
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§47-317(8)

**“The Commission shall have and is hereby jurisdiction and authority over all persons and property, public and private, necessary to enforce the provisions of this act, and shall have power and authority to make and enforce rules, regulations and order, and do whatever may reasonably be necessary to carry out the provisions of this act. Any delegation of authority to any other state officer, board or commission to administer any and all laws of this state relating to the conservation of oil and gas, or either of them is hereby rescinded and withdrawn and such authority is hereby unqualifiedly conferred upon the commission...”**



### 3D Seismic Study

A new 3D seismic study has begun in Payette County. The study funded by AM Idaho, LLC is being performed by Dawson Geophysical of Midland Texas.

During the months of November and December surveyors from Dawson Geophysical and landmen from M&J Landservice worked on behalf of AM Idaho to procure right of way and to ensure the grid pattern of the field was laid out in such a manner to meet the requirements of the map and proposed 3D seismic survey.

Under rule 360 of IDAPA 20.07.02, Dawson Geophysical representative of AM Idaho met with field staff for a pre-discuss issues that may arise in the field. Such issues may range from shot hole placement to cultural or wildlife issues.

The seismic survey is permitted for 102.9 square miles of receivers (geophones). The newest survey is being completed with slight overlap of the AM Idaho's previous 3D completed by Geokenetics. The current survey will encompass 21.41 square miles of passive receivers and 81.49 square miles of active receivers.

In accordance with the rules for geophysical surveys, the company doing the work will update the department every 30 days as to the progress of the project. The final report in affidavit form, shall include a detailed map with all shot hole and energy sources surveyed.

The current geophysical company has no plans for shot holes or the use of explosives for this survey, although they do address shot holes in the application. The study should be complete by April 2014.

Receivers laid out for inspection (Geophones)



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