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NEWS RELEASE

State regulators release assessment of Idaho's oil and gas regulatory program

Boise, Idaho – The State Oil and Gas Regulatory Exchange (SOGRE), an innovative regulatory improvement program created under the States First Initiative by two state-based organizations, finds Idaho's oil and gas regulatory structure to be mostly in line with the regulatory practices of other oil and gas producing states, and provides guidance for Idaho as its regulation of oil and gas exploration, drilling and production continues to evolve.

Team members of this SOGRE assessment presented its final assessment report of Idaho's oil and gas statutory authorities and implementing regulations during a joint meeting of the Idaho Senate Resources and Environment Committee and Idaho House Resources and Conservation Committee today.

"The SOGRE Team...did not identify material substantive gaps in the implementing regulations," stated the report.

This SOGRE assessment team is comprised of top state oil and gas regulators that have more than 140 years of combined oil and gas experience. The team provides expertise in distinct oil and gas related subject matters.

"The SOGRE peer assessment offers state oil and gas agencies a unique opportunity to engage with technical, legal, and regulatory experts from across the country," said Matt Lepore, director of the Colorado Oil and Gas Conservation Commission and the lead for the IDL peer assessment. "By requesting a comprehensive assessment from SOGRE, Idaho is proving their commitment to the continuous improvement of effective regulatory programs for the health and safety of Idahoans and the environmental protection of the State."

The IDL requested the comprehensive SOGRE assessment in early 2016 to evaluate Idaho's overall regulatory framework, compare existing programs and processes to similar states, clarify rules and definitions, acknowledge current oil and gas technology, and identify any potential issues for consideration.

The peer assessment report provides guidance to a number of specific of regulatory and administrative issues that IDL identified in its request to SOGRE. The assessment team also addressed other issues for IDL's consideration as its rules and procedures continue to develop.

The report's findings include:

- Existing Idaho statute provides the authority needed to effectively regulate oil and gas exploration and production in Idaho, and there are no substantive gaps in existing administrative rule.
- The State's current approach to well spacing is appropriate at this stage of development. Idaho has the necessary tools in place to adjust spacing as needed.
- Idaho may wish to consider pursuing permitting primacy for Class II Underground Injection Control (UIC) from the Environmental Protection Agency.
- Contractors, performance metrics, and staff with appropriate expertise should be put in place to make the most of program resources.

- Idaho’s 15-day requirement for Idaho Department of Lands (IDL) approval or denial of drill permit applications could pose challenges. Some states require a “timely and efficient” permitting process without firm timelines.
- Twelve specific considerations for program improvement were identified, with topics ranging from horizontal well standards, Class II UIC wells, electronic forms and databases, increasing blanket bond requirements, and recycling of produced water.

“We appreciate our colleagues and thank them for their comprehensive assessment and thoughtful recommendations on Idaho’s oil and gas regulatory structure,” IDL Director Tom Schultz said. “Their review provides reassurance that Idaho is on the right track in many areas of oil and gas regulation, and it gives us a launching point for future adjustments as we continue our efforts to encourage oil and gas production while preventing waste of resources and protecting water and rights of mineral owners.”

“Idaho has the fundamental tools and foundation in place to adequately oversee oil and gas operations,” said Carl Michael Smith, executive director of the IOGCC. “Like many other states, Idaho will further develop its regulatory programs and continue to progress as it faces its own challenges and issues.”

SOGRE is a product of a joint venture between the IOGCC and GWPC. The mission of the SOGRE is to assist states to continually improve state oil and gas regulatory programs by providing member states consultation and program assessment services targeted to their specific needs.

“The SOGRE process allows states to access the best-of-the-best in terms of regulatory expertise,” said Mike Paque, executive director of the Ground Water Protection Council (GWPC). “It is becoming a living laboratory for developing sound oil and gas regulations and recognizing and addressing emerging issues in the oil field.”

The report also will be presented at the regular meeting of the Idaho Oil and Gas Conservation Commission Thursday. To read the full report, please visit StatesFirstInitiative.org.

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States First Initiative is a state-led initiative aimed at facilitating multi-state collaboration and innovative regulatory solutions for oil and natural gas producing states. Governors, regulators, and policy leaders from oil and gas producing states across the country have partnered with the IOGCC and GWPC in this endeavor. This joint initiative allows a unique mix of regulatory experts, state policy and technical staff from across the country to come together and to share the way they do business, review internal operations and opens up opportunities for extrapolating effective practices from one state to another.

As leaders, the states recognize the need to continuously improve and to develop innovative solutions to emerging regulatory challenges. Through States First programs, state regulatory agencies are collaborating and communicating with one another in an ongoing effort to keep current with rapidly changing technology, as well as to share the very best and innovative regulatory procedures from state to state.

Ground Water Protection Council (GWPC) is a nonprofit 501(c)6 organization whose members consist of state ground water regulatory agencies which come together within the GWPC organization to mutually work toward the protection of the nation’s ground water supplies. The purpose of the GWPC is to promote and ensure the use of best management practices and fair but effective laws regarding comprehensive ground water protection.

The mission of GWPC is to promote the protection and conservation of ground water resources for all beneficial uses, recognizing ground water as a critical component of the ecosystem. The organization provides an important forum for stakeholder communication and research in order to improve governments’ role in the protection and conservation of ground water.

Interstate Oil and Gas Compact Commission (IOGCC), comprised of 38 oil and gas producing states, is a multi-state government entity that promotes the conservation and efficient recovery of domestic oil and natural gas resources while protecting health, safety and the environment.

The Commission, acting through member-state governors, assists states to maximize oil and natural gas resources through sound regulatory practices. As the collective voice of member governors on oil and gas issues, the IOGCC advocates for states’ rights to govern petroleum resources within their borders.