



IDAHO OIL AND GAS CONSERVATION COMMISSION

Kevin Dickey, Chairman
Marc Shigeta, Vice Chairman
Dr. Renee Breedlovestrout, Commissioner
Jim Classen, Commissioner
David Groeschl, Commissioner

Mick Thomas, Secretary to the Commission

Final Minutes
Idaho Oil and Gas Conservation Commission Regular Meeting
February 14, 2018

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, February 14, 2018, in the Borah Building, 2nd Floor Courtroom (Room 214), 304 N. 8th St. (at Bannock), Boise, Idaho. The meeting began at 1:00 p.m. Chairman Kevin Dickey presided. The following members were present:

Vice Chairman Marc Shigeta
Commissioner Renee Breedlovestrout (via teleconference)
Commissioner Jim Classen
Commissioner David Groeschl

For the record, all five Commission members were present with Commissioner Breedlovestrout joining via teleconference.

• **ANNOUNCEMENTS**

Chairman Kevin Dickey announced that there will be no public comment taken but at the end of the meeting, he will ask if anyone wishes to speak.

Secretary Mick Thomas thanked Acting Director David Groeschl for sitting on the Oil and Gas Conservation Commission. Secretary Thomas gave a brief background on Commissioner Groeschl.

1. Division Administrator's Report

- A. Financial Update
- B. Current Oil and Gas Activity

DISCUSSION: Chairman Dickey inquired about the status of the Barlow #2-14 application and if it was still pending. Secretary Thomas confirmed that it was pending. Commissioner Classen requested clarification on what pending means. Secretary Thomas noted that the application is on hold until the operator determines how they want to move forward. Commissioner Classen asked if the operator was completing more than one well in Section 14; Secretary Thomas stated that he could not speak conclusively about the operator's intentions.

Secretary Thomas provided information on other items of interest in oil and gas. The Idaho Department of Lands Eastern Area Office received an application for a land use permit for a 12-mile 2D seismic program for geothermal well exploration 12.5 miles south of the Federal # 20-3 well. The Oil and Gas Division [Division] provided comments and advised the Eastern Office staff to request further information. The Idaho Department of Lands [Department] does not have jurisdiction over granting the 2D seismic permit since it is for geothermal exploration not oil and gas. The Idaho Department of Water Resources (IDWR) was notified as a courtesy and has provided comment. IDWR permits geothermal well applications.

Secretary Thomas remarked that per IDAPA 20.07.02.500.03, operators are required to submit an annual report for active wells they operate in the state. The Department has received this report from Alta Mesa but has requested some revisions and clarifications to the report; it is not yet considered to be complete. The Division requested a response by February 14, 2018 but as of February 13, 2018, a response has not been received. Vice Chairman Marc Shigeta wondered if completion dates for wells can be found on the website for. Secretary Thomas said yes, that information is on the Data Explorer page and added that wells with confidential status are not on the website [<https://ogcc.idaho.gov/>]. Vice Chairman Shigeta inquired if the ownership information of wells is on the website. Secretary Thomas replied that he was not sure but would look into that.

Secretary Thomas informed the Commission that the Oil and Gas Division has hired an Oil and Gas Field Inspector, Dave Schwarz. A brief background on Mr. Schwarz was given. Secretary Thomas stated that there was no information to report on the status of the Oil and Gas Royalty Audit. The contractor, Opportune, had additional questions for Alta Mesa and hopes to have the complete report this spring. Secretary Thomas announced that the Department is in the process of hiring a hearing officer in response to the Kauffman Complaint toward Alta Mesa and hopes to finalize the contract this week.

Secretary Thomas mentioned that the Division is in communication with the Payette High School to use their auditorium as the location for the April 11, 2018 Commission meeting.

Chairman Dickey asked about the status of un-redacting some information in documents that is on the Commission website. Secretary Thomas answered that the Division is working on that and it will be completed soon.

- **CONSENT**

2. **Approval of Minutes** – January 10, 2018 - Regular Meeting (Boise)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Vice Chairman Shigeta that the Commission approve the meeting minutes on the Consent Agenda. Commissioner Groeschl seconded the motion. The motion carried on a vote of 5-0.

- **REGULAR**

3. **Cure an Open Meeting Law Violation**

COMMISSION ACTION: For the record, this agenda item does not require a vote by the Commission.

Chairman Dickey announced that the Commission publicly recognizes that it has violated the Open Meeting Law. The Commission intends to cure the violation pursuant to Idaho Code § 74-208. On January 23, 2018, Commissioner Classen sent an email to two other Commissioners that discussed his opinion on production and testing volumes and records. One Commission member distributing an opinion on a matter pending before the Commission and two other Commissioners receiving that opinion constitutes “deliberation” as that term is defined in the Open Meeting Law. Deliberation means “the receipt or exchange of information or opinion relating to a decision, but shall not include informal or impromptu discussions of a general nature which do not specifically relate to a matter then pending before the public agency for decision.” Idaho Code § 74-202(2). Meetings are “the convening of a governing body of a public agency to make a decision or to deliberate toward a decision on any matter.” Idaho Code § 74-202(6). The Open Meeting Law requires that all meetings of the Commission, including deliberations toward a decision, are open to the public.

The Commission has been advised by counsel that non-public deliberations, such as this e-mail, are not permissible under the Open Meeting Law and shall not occur in the future. Because the Commission took no action as a result of this e-mail, there is no action to be voided. But, in order to assure the public that no private deliberations have occurred, the e-mail is included in the meeting record. Further, the Commission’s next agenda item will discuss the Commission requesting the records of production and testing volumes. With these actions, the Commission has initiated the cure process of the Open Meeting Law.

4. Idaho Code § 47-315 – Commission Request to Examine Records of Produced Volumes of Oil and Gas from February 2013 to Present

RECOMMENDATION: The Department recommends that the Commission vote on whether or not to request the examination of quantities produced from Alta Mesa wells within the past five years as per Idaho Code § 47-315(5)(i).

DISCUSSION: After Secretary Thomas gave some background on this topic, Chairman Dickey asked why the Commission needed to be involved in this process instead of the staff. Secretary Thomas responded that Idaho Code § 47-315 specifies that the Commission has the authority to request the records. Commissioner Classen stated that he believed that Alta Mesa produced good records where they thought appropriate; some individuals feel that not all the data that was pertinent has been forthcoming for the basic purpose of having appropriate and proper records for the state. He added that from the initial completion of the wells, in some cases fairly extensive testing has taken place, which did not make Department record-keeping due to various interpretations of past regulations. Commissioner Classen noted that the recent change of statute allows this data to now be reported.

Commissioner Classen described that because of the nature of the producing zones here in Idaho, there are four types of products produced that should be recorded and available to the public from the start of initial well production in the state: gas condensate, natural gas, liquids and oil. Commissioner Classen indicated the type of data that the state should require and receive would be

all oil production, all condensate production coming out of the processing facility, all natural gas liquids coming out of the processing facility, and all condensate coming out of the facility. Chairman Dickey noted that water is also produced. Commissioner Classen acknowledged water but observed that it unfortunately has little economic value, otherwise all mineral interest owners would have more severance tax.

COMMISSION ACTION: A motion was made by Commissioner Classen to request information from the operator on detailed production records from the initial testing forward on the wells to date. Vice Chairman Shigeta seconded the motion confirming that it included the last five years of data. The motion carried on a vote of 5-0.

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

- **INFORMATION**

- 5. **Revised Monthly Reporting Forms** – Presented by Mick Thomas, Division Administrator – Oil and Gas

- **EXECUTIVE SESSION**

None

Chairman Dickey opened the floor for public comment. There was no response and no public comment was taken.

There being no further business before the Commission, at 1:30 p.m. a motion to adjourn was made by Commissioner Classen. Commissioner Groeschl seconded the motion. The motion carried on a vote of 5-0. Meeting adjourned.

IDAHO OIL AND GAS CONSERVATION COMMISSION

/s/ Kevin Dickey

Kevin Dickey, Chairman
Idaho Oil and Gas Conservation Commission

/s/ Mick Thomas

Mick Thomas
Secretary to the Commission

The above-listed final minutes were approved by the Commission at the March 14, 2018 regular Idaho Oil and Gas Conservation Commission meeting.