



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
June 13, 2018

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, June 13, 2018, at the State Capitol, House Hearing Room (EW42), Lower Level, East Wing, 700 W Jefferson St., Boise, Idaho. The meeting began at 10:01 a.m. Chairman Kevin Dickey presided. The following members were present:

Vice Chairman Marc Shigeta
Commissioner Renee Breedlovestrout
Commissioner Jim Classen
Commissioner David Groeschl

For the record, all five Commission members were present.

• **ANNOUNCEMENTS**

Chairman Dickey announced that the Commission will accept public comments on items listed on the agenda. He pointed out the location of the sign-in sheet and asked that those who wished to speak fill out the sign-in sheet.

1. Division Administrator's Report

- A. Financial Update
- B. Current Oil and Gas Activity
- C. Status Update
 - i. Oil and Gas Royalty Audit

Commissioner Jim Classen asked if the audit results will be presented to the Commission. Secretary Mick Thomas responded the Department may present the results but not the contractor (Opportune) due to the dates of the Land Board meeting.

- ii. Docket No. CC-2017-OGR-01-002 – Kauffman Complaint

Commissioner Classen asked for clarification that the Kauffmans requested specific production data from the operator and if it was being supplied. Secretary Thomas

responded yes on the request but that it had not yet been supplied. Secretary Thomas added that they are discussing the best format, legally, to share that information.

iii. OGCC Meeting Dates Change

Chairman Dickey asked if there were any objections to the meeting dates change, Commissioner Classen remarked that family was visiting but duty calls.

- **CONSENT (ACTION)**

2. Approval of Minutes – Amendment of March 14, 2018 Final Minutes – Regular Meeting (Boise)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Vice Chairman Marc Shigeta that the Commission approve the March 14, 2018 amended meeting minutes on the Consent Agenda. Commissioner Breedlovestrout seconded the motion. The motion carried on a vote of 5-0.

3. Approval of Minutes – April 11, 2018 – Regular Meeting (Payette)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Commissioner Classen that the Commission approve the April 11, 2018 meeting minutes on the Consent Agenda. Commissioner Breedlovestrout seconded the motion. 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**

4. Bureau of Land Management Leasing Status in Southwest Idaho – Presented by Mick Thomas, Division Administrator – Oil and Gas

5. Operator Compliance with Monthly Reporting Forms – Presented by Mick Thomas, Division Administrator – Oil and Gas

- **REGULAR (ACTION)**

6. Operator Records Examined in Response to March 14, 2018 Commission Request as per Idaho Code § 47-315 – Presented by Mick Thomas, Division Administrator – Oil and Gas

RECOMMENDATION: Direct the Department to follow up with a letter to Alta Mesa asking for an explanation of these discrepancies.

DISCUSSION: Secretary Thomas read through the memo and went over the provided attachments. Chairman Dickey commented that the Division Administrator should not have to get this data by taking photos. Commissioner Groeschl stated that clarification can be made through a statutory change or the Commission can draft a policy within the statutory guidelines for clarification of said statute along with a recommendation of how the Commission may proceed. Chairman Dickey asked if Department staff could look into a recommendation on how to handle this going forward,

Secretary Thomas responded the staff would be happy to do so. Chairman Dickey followed up with the statement that he just wants clarification of these numbers. Commissioner Classen noted that a big picture problem is that individual well production is co-mingled into the gathering system. Chairman Dickey also followed up with some questions on the volumes. Commissioner Classen added that he felt it was the Commission's job to make data available. Commissioner Classen also noted that these numbers should be presented to the Tax Commission and help them understand the volumes. Secretary Thomas remarked that it would be a good idea for the Department to ask Alta Mesa what they submitted to the Tax Commission to compare records rather than ask the Tax Commission. Commissioner Renee Breedlovestrout suggested that it would be beneficial if someone from Alta Mesa that was involved with the reporting of the production numbers could attend the next Commission meeting to have a direct conversation. Secretary Thomas said that the Department can work with Alta Mesa to find a representative to do that. Chairman Dickey opened the floor for further discussion on co-mingling of production. Vice Chairman Shigeta referenced statute 47-323 on co-mingling of production. Secretary Thomas explained that statutory changes are not retroactive and certain items were not required to be reported in the past, which makes some data comparison difficult.

COMMISSION ACTION: Commissioner Classen made a motion that the Department can request this information in hard copy. There was no second. Secretary Thomas noted that would have to be changed in statute. Commissioner Classen later withdrew this motion. Commissioner Groeschl made a motion to direct the Department to follow-up with Alta Mesa with a letter of questions and an explanation for the discrepancies. Commissioner Groeschl also suggested that the Commission provide the Department with questions they have and Secretary Thomas can work with legal counsel to make sure the questions are in order and captured correctly for the letter for Alta Mesa. Commissioner Classen seconded the motion. Chairman Dickey repeated the motion. The motion carried on a vote of 5-0.

Chairman Dickey opened the floor for public comment. One person gave public comment.

At 11:07 a.m., a motion was made by Commissioner Groeschl that the Commission convene into executive session pursuant to Idaho Code 74-206(1)(d) and Idaho Code 74-206(1)(f) to consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code and to communicate with legal counsel for the public agency to discuss the legal ramifications or legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Vice Chairman Shigeta seconded the motion. *Roll Call Vote:* Aye: Shigeta, Breedlovestrout, Classen, Groeschl, Dickey; Nay: None; Absent: None.

- **EXECUTIVE SESSION**

- A. Idaho Code § 74-206 (1)(f) - to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. [TOPIC: CAIA v. Schultz, Idaho Federal District Court Case No. 1:17-cv-00264-BLW]
- B. Idaho Code § 74-206 (1)(d) - to consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code. [TOPIC: Attorney/Client Privileged Memorandum]

