



IDAHO OIL AND GAS CONSERVATION COMMISSION

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

Mick Thomas, Secretary to the Commission

Final Minutes

Idaho Oil and Gas Conservation Commission Regular Meeting
September 12, 2018

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, September 12, 2018, at the State Capitol, Lincoln Auditorium, (WW02), Lower Level, West Wing, 700 W Jefferson St., 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 Love (*via teleconference*)
Commissioner Jim Classen
Commissioner David Groeschl

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

• **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 at the back of the room and asked that those who wished to speak fill out the sign-in sheet.

Secretary Mick Thomas announced that the new Idaho Department of Lands Director, Dustin Miller, would be in attendance at the next Commission meeting. Secretary Thomas thanked Commissioner Groeschl for his guidance and input.

1. Division Administrator's Report

- A. Financial Update
- B. Current Oil and Gas Activity
- C. Status Update
 - i. Docket Nos. CC-2016-OGR-01-004 and CC-2016-OGR-01-005 – AM Idaho, LLC Petition to Amend Orders, Docket No. CC-2017-OGR-01-002 – Kauffman Complaint and Docket No. CC-2018-OGR-01-001 – CPC Mineral LLC, Application

Commissioner Jim Classen asked what was happening now with the CPC Mineral application and if they were still in business. Secretary Thomas responded that they submitted the application; the Department asked questions but no further information was received and they withdrew the application. Secretary Thomas also stated that to his knowledge, CPC Mineral was still in business.

ii. Class II Primacy – Permit Status

Chairman Dickey asked how long it would take the permitting process to be complete; Secretary Thomas responded that the original estimate was six months but did not ask for another estimate.

iii. Instructions for Monthly Reports

Commissioner Classen asked if the Commission could get a sneak preview of the instructions; Secretary Thomas responded yes.

• **CONSENT (ACTION)**

2. **Approval of Minutes** – July 19, 2018 - Regular Meeting (Boise)

3. **Approval of Minutes** – September 5, 2018 - Special Meeting (Boise)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Vice Chairman Marc Shigeta that the Commission approve the meeting minutes on the Consent Agenda. Commissioner Classen 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. **Oil and Gas Royalty Audit** – Presented by Mick Thomas, Division Administrator – Oil and Gas

For the record, Commissioner Classen submitted a list of questions regarding the oil and gas audit and asked that they be part of the record. After the presentation and discussion between Commissioners was complete, Commissioner David Groeschl asked that the Commissioners submit any questions or comments regarding the audit to the Idaho Department of Lands in writing.

• **REGULAR (ACTION)**

5. **Election of Chairman and Vice Chairman**

RECOMMENDATION: Direct the Commission to elect a Chairman and Vice Chairman.

DISCUSSION: Commissioner Groeschl made a motion to nominate Kevin Dickey as Chairman and Marc Shigeta as Vice Chairman. Vice Chairman Shigeta seconded the motion. Commissioner Love asked for clarification on the motion, Chairman Dickey repeated the motion. Commissioner Classen asked that the vote be separate for each nomination. Chairman Dickey responded that an amendment could be provided on the motion or they must vote on the motion as it stands. Commissioner Love moved to amend the original motion to request that Kevin Dickey remain the Chairman for the next year. Commissioner Classen seconded the motion. Chairman Dickey opened the floor for nominations for Vice Chairman. Commissioner Classen asked if there would be any lobbying. Commissioner Love asked for clarification on what motion was current. Chairman Dickey responded that that since the original motion was amended, there was no current motion for Vice Chairman and asked for a motion. Commissioner Groeschl made a motion to keep Marc Shigeta as Vice Chairman. Chairman Dickey seconded the motion and asked for any discussion. Commissioner Love wanted to hear from Vice Chairman Shigeta on whether or not he would like to remain Vice Chairman. Vice Chairman Shigeta responded that it would be his pleasure and he would be glad to serve as Vice Chairman.

COMMISSION ACTION: Commissioner Groeschl made a motion to nominate Kevin Dickey as Chairman and Marc Shigeta as Vice Chairman. Vice Chairman Shigeta seconded the motion. Commissioner Renee Love made a substitute motion to keep Kevin Dickey as Chairman. Commissioner Classen seconded the motion. The vote carried 5-0. The Commission having voted on Commissioner Love's substitute motion, no vote was taken on Commissioner Groeschl's original motion. Commissioner Groeschl made a motion to keep Marc Shigeta as Vice Chairman. Commissioner Classen seconded the motion. The vote carried 5-0.

6. Operator Records Examined – Presented by Mick Thomas, Division Administrator – Oil and Gas

RECOMMENDATION: Direct the Department to analyze the Commission's authorities and discuss and recommend the Commission's options going forward at the next regular meeting.

DISCUSSION: Chairman Dickey wanted to clarify that the Department's recommendation is not to have a penalty for another month. Secretary Thomas explained that if a penalty was decided then there is a process statutorily that must be followed which includes a hearing. Secretary Thomas briefly explained the process and offered more detailed information if the Commission wanted it. Chairman Dickey explained that he felt the process should move along. Secretary Thomas clarified that some information has been received and that this has been an informal process so far. Chairman Dickey wondered if the process should have started out more formal in the beginning. Secretary Thomas explained that the Department can continue to proceed appropriately. Chairman Dickey responded that he would like to start the formal process and the Commission will then be in a place by the next meeting to either have all the information requested or to schedule a hearing. Secretary Thomas gave a brief overview of what was done at the end of August and September. Commissioner Classen encouraged Secretary Thomas to continue with what he was doing.

COMMISSION ACTION: Commissioner Groeschl made a motion to accept the Department recommendation. Commissioner Classen seconded the motion. The motion carried on a vote of 5-0.

At 2:04 p.m., a motion was made by Commissioner Groeschl to convene in Executive Session pursuant to Idaho Code 74-206(1)(f) to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated.

Prior to resolving into Executive Session, Chairman Dickey opened the floor for public comment. Michael Christian gave public comment.

Chairman Dickey asked for a second on Commissioner Groeschl's motion for Executive Session, noting that it was not necessary for Commissioner Groeschl to re-state his motion. Commissioner Classen seconded the motion. Roll Call Vote at 2:11 p.m.: *Aye:* Shigeta, Love, Classen, Groeschl, Dickey; *Nay:* None; *Absent:* None.

Chairman Dickey called for a five-minute break before the Executive Session.

- **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: Docket No. CC-2017-OGR-01-002; Kauffman's v. AM Idaho, LLC]

At 3:03 p.m., the Commission resolved out of Executive Session by unanimous consent. Chairman Dickey clarified that no action was taken by the Commission during the Executive Session.

There being no further business before the Commission, at 3:04 p.m. a motion to adjourn was made by Commissioner Groeschl. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 4-0. Commissioner Love was no longer on the phone when adjournment was done. Meeting adjourned.

