



IDAHO OIL AND GAS CONSERVATION COMMISSION

Chris Beck, Chairman
Margaret Chipman, Vice Chairman
Sid Cellan, Commissioner
Jim Classen, Commissioner
Ken Smith, Commissioner

Tom Schultz, Secretary to the Commission

Final Minutes
Idaho Oil and Gas Conservation Commission Regular Meeting
August 5, 2014

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, August 5, 2014 in the State Capitol, Lincoln Auditorium (WW02), 700 W Jefferson, Boise, Idaho. The meeting began at 9:05 a.m. Chairman Chris Beck presided. The following members were present:

Vice Chairman Margaret Chipman
Commissioner Sid Cellan
Commissioner Jim Classen
Commissioner Ken Smith (*via teleconference*)

For the record, Chairman Beck recognized the presence of all Commission members, with Commissioner Smith joining the meeting via conference phone.

Chairman Beck stated the need for the Commission to amend the agenda and remove the Executive Session item. Commissioner Chipman made a motion that the Commission, pursuant to Idaho Code § 67-2343, amend the agenda for this meeting by removing the Executive Session from the agenda. Commissioner Cellan seconded the motion. The motion carried on a vote of 5-0.

Chairman Beck next stated that a violation of the Open Meeting Law by the Commission has occurred. Chairman Beck noted the Commission needs to acknowledge that a violation has occurred and state its intent to cure the violation pursuant to Idaho Code § 67-2347. On July 28, 2014 Commissioner Jim Classen sent a memorandum via email to the other Commissioners and the Idaho Department of Lands staff. The memorandum included Commissioner Classen's comments on spacing units and Alta Mesa LP's application to omit federal land from a spacing unit, which is currently pending before the Commission. Commissioners also discussed the memorandum. The Commission acknowledges that the distribution and receipt of the memorandum by the Commissioners regarding a matter pending before the Commission constitutes deliberation as that term is defined in the Open Meeting Law. Deliberation means the receipt or exchange of information or opinion relating to the decision which 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 a decision. Idaho Code § 67-2341(2), the Open Meeting Law requires that all meetings of the Commission, including the deliberations toward the decision, shall be open to the

public. The Commission has been advised by Counsel that communications such as Commissioner Classen's email and memorandum are not permissible under the Open Meeting Law and will not occur in the future. The Commission cures the violation by publicly acknowledging the violation, by including the memorandum in the agency record for Alta Mesa's application, and by providing a copy of the memorandum to Alta Mesa and the Bureau of Land Management.

1. Director's Report

- A. Financial Update
- B. Summary of Current Well Permits

• **CONSENT**

2. Approval of Minutes – April 15, 2014 Regular Meeting (Boise)

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

• **REGULAR**

3. Frequency of Regular Commission Meetings and Scheduled Dates for Calendar Year 2015
[Idaho Code § 47-317(4)] – Presented by Tom Schultz, Director

RECOMMENDATION: The Department recommends the Commission meet bimonthly each calendar year, on the third Thursday of each odd month beginning in January 2015. Remaining 2014 regular meetings will be held as scheduled.

The Department recommends the following dates for calendar year 2015:

January 15	May 21	September 17
March 19	July 16	November 19

DISCUSSION: Mr. John Peiserich, on behalf of Alta Mesa Services, LP spoke in support of the Department's recommendation. Mr. Peiserich commented that Alta Mesa's increased level of activity necessitates additional meetings and opportunity to come before the Commission to address issues.

COMMISSION ACTION: A motion was made by Vice Chairman Chipman that the Commission accept the Department's recommendation for the change in meeting frequency for the remainder of this year and next year. Commissioner Classen seconded the motion. The motion carried on a vote of 5-0.

4. Proposed 2015 Legislation (Unitization/Fees/Production Records) – Presented by Tom Schultz, Director

RECOMMENDATION: Direct the Department to pursue legislative ideas for unitization authority, oil and gas program fees, and oil and gas production record disclosure through DFM's legislative review process.

DISCUSSION: A verbatim transcript is available by request to the Department of Lands, Attn: Oil and Gas Commission Recording Secretary, PO Box 83720, Boise, Idaho 83720-0050 or by email to public_records_request@idl.idaho.gov.

COMMISSION ACTION: A motion was made by Commissioner Classen that the Commission direct the Director to move forward on these three items. Vice Chairman Chipman seconded the motion. The motion carried on a vote of 5-0.

5. FY2016 Budget Enhancements (Decision Units) – Presented by Donna Caldwell, Division Administrator-Support Services

RECOMMENDATION: Direct the Department to include the enhancement request of \$83,300 in the FY 2016 budget proposal due on September 2, 2014.

DISCUSSION: Commissioner Classen commented the budget appears to be very frugal.

Mr. Joe Morton of Emmett, Idaho expressed concerns that there is not enough money to do what is needed to be done. Mr. Morton anticipates quite a bit of action here, noting that Bakken Resources has just leased another 9,000 plus acres in the Willow Field. Mr. Morton voiced concern that the limited funding given to the Oil and Gas Program at this point would curtail the regulation that is required for this industry.

COMMISSION ACTION: A motion was made by Vice Chairman Chipman that the Commission accept the Fiscal 2016 Budget Enhancement Decision Unit request as presented. Commissioner Cellan 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**

6. Status of Risk Based Data Management System (RBDMS) – Presented by Jay McCoid, Project Manager-IT

DISCUSSION: Mr. Joe Morton of Emmett, Idaho relayed his pleasure in the system and its implementation. Mr. Morton submitted a request that until the application and data related to applications is online, that this information be made available to counties and to the public, not just to the state. Mr. Morton asked that any information that is required by the state also be transferred down to the county level so that the public is aware of current activity.

