

From: [Eric Wilson](#)
To: [Kourtney Romine](#)
Subject: FW: IDL Proposed Legislation
Date: Friday, July 22, 2016 12:16:21 PM

Eric Wilson
Resource Protection and Assistance Bureau Chief

From: Doug Paddock [mailto:dpaddock@iorcinfo.org]
Sent: Thursday, July 21, 2016 1:59 PM
To: Tom Schultz; Eric Wilson
Subject: IDL Proposed Legislation

Dear Mr. Schultz and Mr. Wilson,

I am writing to express my interest in offering feedback as you draft legislation to be introduced during the 2017 legislative session. I applaud the Department for taking a proactive approach in soliciting public input on this important matter. I hope IORC can continue to be included whenever the Department seeks stakeholder input.

IORC is an Idaho-based grassroots organization working to improve the economic well-being of our communities by preserving family farms and ranches, supporting local sustainable agriculture, and promoting responsible stewardship of our air, land, and water. Our members live, work, farm, and ranch, in areas of western Idaho experiencing oil and gas exploration, production, transport and processing. We have a longstanding commitment to ensuring Idaho has the right policies in place to protect its great people and beautiful environment.

During the current rulemaking process I have noted four areas of oil and gas policy that can be improved through legislation:

1. Surface owner protections

- In a split estate situation, surface owners have very little ability to control what happens on their land, almost no process to appeal decisions to the Commission, and little protection or compensation for accidents or impacts to their property. Surface owners should be afforded the highest possible protections from the State.

2. Transparency and accountability

- The public has a right to have access to important records and documentation as well as to have peace of mind that the records are accurate and complete. Third party monitoring and verification is key to ensuring fairness for all parties involved, including the Department. This does not mean that IDL should be responsible for auditing, but that it mediate between the operator and an independent third party as the cost of the operator. The current confidentiality periods are too long and should be set for the greatest benefit to Idaho's citizens

and principles of transparency.

3. Leasing and integration

- Before a permit can be issued, the applicant should be required to show that **all** mineral interests have been leased (willingly or through the integration process). The Idaho Legislature set up a process to force pool unwilling mineral owners. It was to my dismay to learn that this process is entirely optional and that an oil and gas company can drain minerals without a lease and simply compensate the owner after the fact. I ask the Department to use the highest level of due process possible when authorizing a taking of private property and to stand up for the correlative rights of Idaho's mineral owners.

4. Administrative fees

- Mr. Wilson noted the integration fees should be changed to reflect real cost to the Department. I encourage you to evaluate all permit fees within the oil and gas program and to modify those to reflect the real cost to administer the permit. During the 2015 legislature the fees were changed. In the majority of cases it was estimated that the administrative cost to issue the permit was greater than what was being paid by the applicant.

Thank you for your consideration of these important issues.

Doug Paddock

IORC

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