

Eric Wilson, Bureau Chief
Resource Protection and Assistance
Idaho Department of Lands
300 N. 6th Street, Suite 103
P.O. Box 83720
Boise, Idaho 83720

email oilandgasconservationrulemaking@idl.idaho.gov

Sir:

The following are my comments regarding Rules applicable to Metering in Section 430 and Rules applicable to Production Reporting in Section 430 and specially Section 430.07:

Rules Application to Metering in Section 430

Scrupulous metering is an accepted practice in mature oil and gasproducing states. A part of the metering process is the necessity of having flow meters for each well, which are maintained, calibrated, monitored, and reported by either the State or its chosen independent third party certified to provide such technical services. Calibration of meters is typically required anywhere from weekly to quarterly in other oil and gas states, as the accuracy of these meters is critical to ensuring precise and credible reporting of production. **Without independent control of the entire reporting mechanism, there is no way the state, and its people, can ever know if they are or are not being fairly compensated according to laws and contract agreements.** That would never be the case in any mature oil- and gas-producing state, because those state regulators know *not* to trust the industry to self-report. They verify what is reported independently so as to insure an objective and comprehensive tabulation of all production and all applicable taxes and royalties owed to the state, if any. ***When the primary point of gas production, for the State of Idaho, is to collect monies for its coffers, this laxity in regulation is extraordinary.***

I request that the State of Idaho require independent third party certified to provide such metering technical services. I request a monthly Calibration of all the meters.

Rules Application to Production Reporting in section 430 and section 430.07

The reporting of production to the State and access to those records by the general public is critical and crucial to verify what the State of Idaho trusts is correct Production of Oil and Gas according to the conditions of the Oil & Gas lease. In mature oil and gas states, a meter on each well connects into a computer network that collects and tabulates production data and then dials a phone number and sends that data on a pre-determined schedule to the production company headquarters. That same system often simultaneously sends the same data to the state regulatory agency so that the State has the data in nearly real time instead of six months after the fact, as is being planned for Idaho right now (to be codified in the coming session of the legislature).

I request that the State of Idaho require weekly production reports. I recommend that the State of Idaho investigate the feasibility of requiring the computer reporting network as is use in some mature oil and gas production states.

Sincerely,'

John K. Ponath

Sally A. Ponath

jkponath@mybluelight.com