

From: [Sherry Gordon](#)
To: [Oil and Gas Conservation Rulemaking](#)
Subject: COMMENTS ON PROPOSED OIL & GAS REGULATORY RULES
Date: Tuesday, October 25, 2016 04:19:51 PM

These are my comments on the proposed Oil & Gas Rules for 2016...

RE Surface Owner Protections (Section 110):

<!--[if !supportLists]--> <!--[endif]-->The bond amount needs to be *much* higher – in the order of \$20-\$25K rather than the measly \$5K, which is unlikely to cover any but the most superficial of damages that could ensue. Loss of agricultural income may be harmed *for years* due to a spill; loss of access to land now crossed by a road or pipeline will be in perpetuity (while the surface owner still, absurdly, has to pay taxes on such land); damage to a building/foundation, or even to landscaping, is very unlikely to cost a mere \$5K to repair at current pricing.

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<!--[if !supportLists]--> <!--[endif]-->“Surface Owner Protections” must be for split estate surface owners *and* mineral+surface owners who are “integrated” – they *equally* have no say in whether these industrial activities will be on their land. Equal bonds must be set aside for these affected parties as well, *if* surface access isn’t *disallowed* on the property of those being force-pooled. (And it is *not* disallowed in the current law, even if IDL is requiring *in its rules* that the operator has a willing host for the well itself *at the outset* – and yet has rules that allow for exceptions to this *later on*, and for other surface disturbances such as placement of roads or other extra-wellpad infrastructure.) Mr. Wilson’s claim that surface owner protections “aren’t needed” for those being force-pooled is strangely short-sighted – those who are “deemed leased” do *not* have surface protections (though they are due royalties, where split estate surface owners are not).

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<!--[if !supportLists]--> <!--[endif]-->Also falling under this category is the issue of allowing surface access *at all* when mineral+surface owners are “integrated”. (I include it here since the meat of the Integration section has been removed from the rules, though the content of S1339 does *not* preclude this being housed in that portion of the rules. Nor does S1339 preclude the adjustment following:)

No one who is *forced* to allow their mineral rights leased should *also* be forced to have industrial activity on their surface property. Forced pooling is at least as much a boon to the industrial operator as it is a means of compensating unwilling mineral owners for their usurped rights in order to allow willing mineral lessees to utilize theirs. *Also* forcing unwilling owners to allow *surface access* to their property is not part of that argument – it is merely an unfair giveaway to the operator, *not required* for allowing the development of the minerals for the sake of those who want to reap those benefits, and not justly compensated for to those who are more concerned about what they will

lose by having an industrial activity on their land. The argument of correlative rights fails entirely in logic at the point at which this level of taking from surface owners is allowed.

...And I direct your attention to the outrageously pro-industry, pro-willing-mineral-rights-holding and anti-unwilling-*citizen* verbiage of the rule in Section 015 – Protection of Correlative Rights... This is an *interpretation* of the statutory definition, and it has clearly been interpreted for the benefit of the industry, not for the state’s citizens. You have no moral right, as legislators/overseers of State rules, to hold *citizens* hostage to the industry-promulgated *rule* to not have to “incur unnecessary expenses” if you are going to apply this idea so as to take away basic citizens’ rights to enjoy their surface properties (not to mention endanger their mortgages, insurance policies, and property values at the same time). No doubt industry operators consider protective bonds and all the other financial impingements on them of the rules as unnecessary expenses – but these measures are necessary for the good of the people of the state *first*.

RE Seismic Operations (Section 100): Again, a mere \$10K bond *for an entire area* is far less than what might be required to pay for damages to more than one or two properties – it ought to be in the order of a \$50K minimum; or at least should be proportionately tagged to the size of the area to be swarmed with vibroseis equipment and shot charges, not just leaving it to IDL to *maybe* up the bond according to one person’s *conception* of what “the amount of potential damage” might be. It seems logical that the amount of potential damage would be correlated with the area/features in the submitted plan.

RE Production Reports (Section 400) and Meters (Section 410):

- Yes, monthly reporting on a 3-month-delay basis is better than what was there – but a delay of 3 months simply doesn’t make sense. Establishing a frequency of daily reporting, via automated electronic means, makes *much* better sense for the State. If you are going to emulate mature gas and oil states, as we keep hearing, then do it here where it really matters fiscally. The longer you delay in requiring computerized metering (and therefore instant reporting), the more money the State stands to lose (because surely those mature states *did* institute this requirement for good reason).
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- Concomitantly, meter calibration must be done *far* more frequently than yearly (again, no doubt this is generally required monthly elsewhere for good reason).
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- And meters used should be specified as “tamper-proof”.
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- And yes, as the proposal *does* say, by an independent party – but a “*suitably qualified*” independent third party should be added.

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- (And someone at IDL should be actually *monitoring/reporting on* the data received in some fashion, at least once a month.)

RE Permit to Drill, Deepen, or Re-enter (Section 200): 04 “Location of Wells” – 300 feet is not enough as a minimum setback from an occupied structure *or a water well*. This needs to be a minimum of 1000 feet. (Likewise for a pollutant-emitting processing station of any kind – Section 430, Gas Processing Facilities. See all the data on)

RE Gas Processing Facilities (Section 430): 01a – exception for an owner of a well or occupied structure – okay (except for the minimum setback – see above); but for 01b – exception for an owner of a body of surface water that *may* run onto someone else’s land as well (“canal, ditch, or surface water”), no. ...Perhaps the intent was that the canal or ditch was *entirely* on the land of this owners, but this is not stated, and it needs to be so to prevent *this* owner taking on a greater risk of possible contamination of *others’* properties as well. Please stipulate that this correction be made to this wording before it is accepted as law.

(Thank you to IDL for what improvements *were* made for greater citizen and State protections.)

Sincerely,
Sherry Gordon
Emmett