

**From:** [Kathy](#)  
**To:** [Oil and Gas Conservation Rulemaking](#)  
**Subject:** IDL Negotiated Rulemaking Related to SB 1339  
**Date:** Wednesday, October 26, 2016 04:14:33 PM

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Gentlepersons:

I am very concerned about the IDL Negotiated Rulemaking related to SB 1339. These rules must be changed to reflect protections for citizens and their property against takings or damages caused by the state and the industry. I'm extremely concerned about fracking in our beautiful state of Idaho. You need to look farther than some temporary monetary gains. Please see the comments below:

Section 006. Public Records Act Compliance (P 538)

Section 100. Seismic Operations (P 546)

Section 110. Surface Owner Protections (P 551) - Specifically subsection .04 Surface Use Bond - the minimum bond amount needs to be substantially higher. I recommended \$20,000. The cost of a bond for \$20K will be only marginally more costly than a bond for \$5K, and a bond for \$1 Million would also barely cost more than a bond for \$5K, so there is no justification for having a bond so low as to fail to properly protect surface owners and their property.

Section 130. Integration (P 554) - NO person, nor their property should EVER be forced into a minerals production agreement against their will, and especially if doing so jeopardizes their mortgage or insurance policies on their property.

Section 211. Hydraulic Fracturing (P 562) - specifically subsection .02 - VOCs and distillates - the introduction of ANY VOCs (volatile organic compounds - most of which are carcinogenic, toxic and/or neurotoxic to humans and animals) or distillates into any well is a potential ground water contamination issue. Put into perspective, one gallon of gasoline will contaminate up to 750,000 gallons of fresh water, and most VOCs and distillates are far more hazardous than gasoline.

Section 220. - Bonding (P 564) - Bonds MUST be substantial enough to cover all possible losses resulting from operator accidents, errors, omissions or other problems that harm people and/or property. Currently proposed limits are far too inadequate to protect anybody other than the oil and gas producer. Idaho should look at mature states like Texas, Louisiana, Pennsylvania or Colorado for guidance on this issue, as well as every other issue being considered.

Section 310. General Drilling Rules (P 569) - Specifically:

.05 - Surface Casing Requirements - require all steel wellbore pipe to be American made steel and prohibit the use of Chinese (inferior quality) steel that leads to casing failures and groundwater contamination. Also, require surface casing to extend at least 100 feet BELOW the lowest level of any freshwater reservoir into which the wellbore penetrates

.07 - Intermediate Casing Requirements - Intermediate casing should match the length of the surface casing, and should also extend AT LEAST 100 feet BELOW the lowest level of any freshwater reservoir into which the wellbore penetrates

Section 400. - Production Reports (P 575) - Monthly production reports must be submitted to the Department no later than the twenty-first (21st) day of the following month. In the event the twenty-first (21st) day of the month falls on a non-business day, the report is due the next business day ninety (90) days following the month of production. This is NOT standard industry practice. Production reports should be available instantly, or at least within one day, by automated metering and reporting with data sent to IDL at the same time it is sent to the

producer. Along with metering, production reporting is how the state and its citizens know they are being fairly and justly compensated from production of their mineral interests. Allowing AMI to delay production reports for 90 days, plus an additional 21 days, is not ever done in a mature oil and gas state, and it should not be allowed in Idaho.

.02 - Frequency - As explained to IDL during the negotiated rulemaking sessions by C.J. McDonald (Lone Tree Petroleum owner), Suzanne Budge and former Idaho Senator Larry Craig, mature oil and gas states get the production reports on an on-going and constant basis through the use a computer connected to a telephone and flow meters so that tyhe computer can gather and tabulate the data, and then dial whatever number(s) is/are entered to receive the information so the data can be transmitted automatically to all appropriate parties without 117 day delay. (The original proposal for for a 180 day reporting period followed by 30 days to prepare and submit the production reports to the state, with citizens being barred from seeing the production data for 12 months after it is released to IDL.

Section 410. - Meters (P 577) - Metering is the ONLY way the state and mineral owners have of knowing if they are being justly and fairly compensated for their minerals that are produced. In mature oil and gas states metering calibration is routinely required on a frequent basis (AT LEAST MONTHLY), where as Idaho requires one annual calibration. All calibration should be done by an independent, third party company with the recognized qualifications to perform such calibrations. Further, all metering should be monitored by IDL or its independent, third party vendor. Metering data should be automatically transmitted to IDL on at least a daily basis because the price of oil and gas fluctuate daily according to global market conditions.

There is MUCH than can be stated on each of these issues. Most people will be unable to present a coherent, compelling dissertation on all of these issues before Wednesday, so I suggest taking one or two topics and covering them thoroughly rather than just glancing across each issue as I have done here to give you a heads up. I am attempting to address each of these concerns in my own letter that I will submit by registered mail, which I intend to send on Monday morning. This is our ONLY chance to get our comments included in the official record for these proceedings. If we fail to be heard, then it is on us for whatever comes next.

Thank you for your kind consideration.

Sincerely,

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