

From: [Tom Kennedy](#)
To: [Oil and Gas Conservation Rulemaking](#)
Subject: RE: IDL regarding Proposed Rules for Oil and Gas Conservation, Docket No. 20-0702-1601
Date: Wednesday, October 26, 2016 07:36:42 AM

Dear Mr. Wilson,

This e-mail pertains to Section 310 - General Drilling Rules, as follows:

Section 310 – General Drilling Rules

Section 310.05

Bonding requirements, as proposed, are far too inadequate to cover possible damages resulting from spills, leaks, fugitive emissions, blow-outs, fires, explosions, road damage caused by heavy trucks and other potential problems commonly found around oil and gas operations.

Considering that the only producer currently operating in Idaho is \$875 Million in debt with a junk bond rating of Caa3 (Moody's Investor Services and Standard & Poors), the minimum bond amounts need to be greatly increased. For a fact, buying a bond for millions of dollars does not cost proportionally more than a bond for \$10,000, and in fact, the additional cost for the larger bond would not be an impediment for any financially stable operator, neither would it adversely impact that operator's ability to operate, as evidenced by the very fact that operators are required to carry much higher bonds in mature oil and gas states, yet it does not stop their activities – they just comply with the laws, rules and regulations, and go on about their work.

The section from the Dallas, Texas oil and gas drilling ordinance relating to bonding can be found at the attached PDF document (the pertinent section is 51A-12.203, pp 40-46 titled Insurance and Bonding.) Please use this as a guide on writing effective bonding and insurance rules that protect citizens and the state.

Please make sure this e-mailed information is included in the official record of public documents submitted to IDL regarding Proposed Rules for Oil and Gas Conservation, Docket No. 20-0702-1601, as required by federal and state laws.

Most sincerely,

tom kenedy
752 east riverchase way eagle, idaho

"We only have one environment. When we destroy it we will become as extinct as the dinosaurs!"