

MINUTES
HOUSE RESOURCES & CONSERVATION COMMITTEE

DATE: Tuesday, February 03, 2015

TIME: 1:30 P.M.

PLACE: Room EW40

MEMBERS: Chairman Raybould, Vice Chairman Gestrin, Representative(s) Moyle, Andrus, Shepherd, Wood, Boyle, Vander Woude, Gibbs, Miller, Bateman, Burtenshaw, Mendive, VanOrden, Youngblood, Pence, Erpelding, Rubel

**ABSENT/
EXCUSED:** Representative(s) Moyle

GUESTS: Tom Schultz, Idaho Department of Lands; Bobby Johnson, Idaho Department of Lands; Larry Craig, Northwest Operating Corporation; Lynn Tominaga, IGWA; Elizabeth Criner, J. R. Simplot Company; Jim Classen, Independent Oil and Gas; Jim Lowe, Food Producers of Idaho; Jerome Varley, Lemhi County; Kate Haas, Kestrel West; Doug Paddock, IORC; Julie Page, IORC, Suzanne Budge, SBS Associates; Evan Martinez, Idaho State Bar; B. Schlez, Farm Bureau; Hubert Osbourne; and Dan Justie, Idaho Bankers.

Chairman Raybould called the meeting to order at 1:31 p.m.

MOTION: **Rep. Van Orden** made a motion to approve the minutes of January 21, 2015.
Motion carried by voice vote.

MOTION: **Rep. Burtenshaw** made a motion to approve the minutes of January 27, 2015.
Motion carried by voice vote.

MOTION: **Rep. Van Orden** made a motion to approve the minutes of January 29, 2015.
Motion carried by voice vote.

H 47: **Tom Schultz**, Idaho Department of Lands, stated this legislation provides certain revenue from navigable waterways to be deposited in the Navigable Waterways Fund, provide for the creation and use of the fund, require appropriation and certain moneys be deposited in the Waterways Improvement Fund at the beginning of each fiscal year, and to provide that royalties from extraction of minerals from navigable waterways be deposited in the Public School Permanent Endowment Fund.

MOTION: **Rep. Erpelding** made a motion to send **H 47** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Gibbs** requested that he be recorded as voting **NAY**. **Rep. Erpelding** will sponsor the bill on the floor.

H 48: **Tom Schultz**, Idaho Department of Lands, stated this legislation allows for the efficient recovery of oil and gas by public disclosure of oil and gas records after six months. He stated the industry is divided as there are concerns over protection of intellectual property rights and competition if production records are released.

Larry Craig, Northwest Operating Corporation, stated he believes **H 48** would provide a greater return on state lease auctions and conform with national standards.

Jim Classen, Independent Oil and Gas, is a geologist and stated production information released to the public would provide an estimate of oil and gas from each specific well. He said it would provide estimated income or financial incentives for investment consideration.

- MOTION:** **Rep. Wood** made a motion to send **H 48** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Wood** will sponsor the bill on the floor.
- H 49:** **Tom Shultz**, Idaho Department of Lands, stated **H 49** would increase permit fees for oil and gas drilling from \$100 to a maximum of \$2,500 and the revised fees were compared with other states. He stated a hearing was held and no opposition was received in response to permit fee increases.
- MOTION:** **Rep. Miller** made a motion to send **H 49** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Rubel** will sponsor the bill on the floor.
- H 50:** **Tom Schultz**, Idaho Department of Lands, stated this legislation covers unitization and how oil and gas operators will cooperate in the operation of a field or pool as a single unit for a single well. He said the Commission may be the arbitrator if the unit operators cannot agree on an issue of concern. He further stated that no opposition has been received on **H 50**.
- Susanne Budge**, SBS Associates, stood **in support** of this legislation.
- MOTION:** **Rep. Burtenshaw** made a motion to send **H 50** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erpelding** and **Rep. Ruebel** requested to be recorded as voting **NAY.** **Rep. Burtenshaw** will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:24 p.m.

Representative Raybould
Chair

Jennifer Smith
Secretary