

Attachment 1  
3/2/15

### State Comparison of Oil and Gas Production Reporting

STATE	Frequency of Reporting	Becomes Public Record	Drill Permit Fee
Alabama	Monthly	Immediately	\$300
Alaska	Monthly	Immediately	\$100
Arizona	Monthly	Immediately	\$25
Arkansas	Monthly (UIC injection volumes are Quarterly)	Immediately	\$300
California	Monthly	Immediately-can request confidentiality- 2 years for onshore wells and 5 years for offshore wells	\$0
Colorado	Monthly	6 months	\$0
Florida	Monthly	Immediately- can request 1 year confidentiality on new well	\$2,000
Idaho (pending rules)	7th month after production occurs then monthly	6 months after first report received, Immediately thereafter	\$2,000
Iowa *	Monthly	Immediately-can request 6 months confidentiality on new well	\$50
Louisiana	60 days from production month	Immediately	\$126-\$2528
Michigan	Monthly	Immediately- can request 90 days on new well	\$300
Mississippi	Monthly	Immediately	\$600
Missouri	Monthly	Immediately	\$0
Montana	Monthly	Immediately	\$25-\$150
Nebraska	Monthly	Immediately	\$200
Nevada	Monthly	Immediately	\$200
New Mexico	Monthly	Immediately	\$0
New York	Annually	6 months	\$100+\$190/500ft
North Dakota	Monthly	Immediately-can request 6 months confidentiality on new well	\$100
Oregon	Annually	Immediately	\$2,000
Pennsylvania	Conventional Wells- Annually Unconventional Wells-Monthly	Immediately	\$250-\$5,000
South Dakota	Monthly	Immediately- can request 6 months confidentiality on new well	\$100
Tennessee	Well Report-Annual Purchaser of oil/gas-Monthly	Immediately	\$500
Texas	Monthly	Immediately	\$200-\$300+\$150
Utah	Monthly	Immediately	\$0
Washington *	Monthly	1 year	\$250-\$1,000
West Virginia	Annually	Immediately	\$400
Wyoming	Monthly	Immediately- can request 6 months confidentiality on new well	\$50
BLM	45 days from first production then monthly	Immediately after first production report submitted	\$6,500

\*very limited or no production

## Oil & Gas Production Report Explanations

Producing Zone: this is what pool the production is in. Bobby says it is equal to 4100 sand

Well Status: S – static; P – producing

OW: Oil Well

Production Volumes: This section is reporting of numbers. It is a tool used to determine if it is an oil or gas well and spacing units. (We will have a 5000 cu gas to one barrel of oil ratio)

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS

PATRICIA THOMPSON  
MATRIX PRODUCTION COMPANY  
5725 COMMONWEALTH BLVD  
SUGAR LAND, TX 77479

UTAH ACCOUNT NUMBER: N2660

REPORT PERIOD (MONTH/YEAR): 10 / 2014

AMENDED REPORT  (Highlight Changes)

WELL NAME			Producing Zone	Well Status	Well Type	Days Oper	Production Volumes			
API Number	Entity	Location					OIL (BBL)	GAS (MCF)	WATER (BBL)	
BLUFF U 9			DSCR	S	OW	0	0	0	0	
4303715327	00625	390S 230E	DSCR	S	OW	0	0	0	0	
BLUFF U 14			DSCR	P	OW	31	131	525	56	
4303730533	00625	390S 230E	DSCR	P	OW	31	131	525	56	
BLUFF ST 2			DSCR	S	OW	0	0	0	0	
4303716538	00629	390S 230E	DSCR	S	OW	0	0	0	0	
BLUFF 16			DSCR	S	OW	0	0	0	0	
4303730989	00632	390S 230E	DSCR	S	OW	0	0	0	0	
RECAPTURE CREEK 2			IS-DC	P	OW	31	149	596	87	
4303730727	06255	400S 230E	IS-DC	P	OW	31	149	596	87	
RECAPTURE CREEK 1			IS-DC	P	OW	31	250	430	279	
4303715871	06265	400S 230E	IS-DC	P	OW	31	250	430	279	
RECAPTURE CREEK 3			IS-DC	P	OW	31	117	31	68	
4303730926	08450	400S 230E	IS-DC	P	OW	31	117	31	68	
BLUFF 44-5			PRDX	P	OW	31	23	117	6	
4303715867	11146	400S 230E	PRDX	P	OW	31	23	117	6	
BLUFF 13-4			DSCR	P	OW	31	11	59	3	
4303730726	11146	400S 230E	DSCR	P	OW	31	11	59	3	
BLUFF 42-5			DSCR	P	OW	31	80	410	22	
4303730866	11146	400S 230E	DSCR	P	OW	31	80	410	22	
TOTALS							761	2168	521	

COMMENTS :

I hereby certify that this report is true and complete to the best of my knowledge.

Name and Signature:

*Pat Thompson*

Date:

12/31/2014

Telephone Number:

281-265-1212

Attachment 2  
3/2/15



**DESMOGBLOG.COM**

Published on *DeSmogBlog* (<http://www.desmogblog.com>)

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Mon, 2014-11-24 10:31 Sharon Kelly



## As Chesapeake Energy Reveals Department of Justice Investigation, Other Lawsuits Piling Up



Earlier this month, Chesapeake Energy Corp. revealed <sup>[1]</sup> that it has been subpoenaed by the U.S. Department of Justice, along with multiple states, over alleged wrong-doing in the company's business dealings.

Federal prosecutors and state attorneys have demanded that the company turn over documents, provide information, and give testimony in cases centering on the royalty payments that Chesapeake Energy pays to landowners who allow them to tap the shale oil and gas beneath the surface of their land.

Separately, the company said, it has received subpoenas from both federal and state

attorneys general over potential violations of anti-trust laws, the laws designed to protect against abuse of monopoly power or collusion between competitors.

This is hardly the first time the company has found itself in legal trouble.

Across the U.S., Chesapeake faces a large number civil lawsuits from angry landowners, investors and other business partners. In Pennsylvania and Michigan, it faces racketeering counts, under the same law often used to convict members of organized crime. In Texas and Oklahoma, dozens of landowners have sued the company for shortchanging them.

The new Department of Justice investigations come after federal attorneys dropped [2] their investigation into the financial misdeeds of former CEO Aubrey McClendon, which were the subject of a year-long investigation by Reuters in 2012 that roiled the company and led to his ouster. State authorities have continued to investigate, however.

“The suits against us allege, among other things, that we used below-market prices, made improper deductions, used improper measurement techniques and/or entered into arrangements with affiliates that resulted in underpayment of royalties in connection with the production and sale of natural gas and NGL,” Chesapeake, the country's second largest producer of natural gas, said in its quarterly filing. “The Company also has received DOJ and state subpoenas seeking information on the Company's royalty payment practices.”

The news comes at a time when Chesapeake is still trying to recover from the financial misdeeds of former CEO Aubrey McClendon. While on Wall Street say that the company has turned around, with one Sterne Agee analyst calling [3] the company's balance sheet “close to being fully healed,” the news of the Department of Justice investigations represent yet another skeleton in Chesapeake's closet.

The company's erratic performance has led to losses for some of its most high-profile investors, including one of Wall Street's legendary billionaires, who made headlines for his attempts to reform Chesapeake. “Activist investor Carl Icahn ... lost seven times as much money on them Thursday as he's made on Apple Inc.'s stock,” Bloomberg reported last month, calculating [4] that the legendary investor, whose net worth is estimated at \$20 billion, had lost \$75 million by investing in Chesapeake Energy.

Chesapeake shrugged off the civil suits in its quarterly filing, saying that “its remaining loss exposure for these claims will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.”

But the suits against the company are striking both in their number and for the broad variety of ways that small landowners and large companies alike allege that Chesapeake swindled them.

In Michigan, the company's legal troubles include a criminal anti-trust complaint brought by the state Attorney General, which charges that Chesapeake colluded with Encana Corp. in a bid-rigging scheme for drilling leases in the state's Collingswood shale region. That charge is headed to trial, a district court judge ruled in July, and carries a maximum fine for the company of \$1 million. In May, Encana Corp. settled with the state, agreeing to pay \$5 million and to plead no contest to its antitrust violations.

The company is also facing felony racketeering charges in Michigan for cancelling lease offers to landowners in violation of criminal enterprises and false pretences statutes, after prosecutors filed charges in June of this year. Chesapeake directed its landmen to lock up leases in the region by offering big signing bonuses, but then canceled the deals for bogus reasons when its competitors lost interest, Attorney General Bill Schuette charged. The racketeering charge is punishable by a fine of up to \$100,000.

In Pennsylvania, meanwhile, the company also faces counts of racketeering, conspiracy and underpaying royalties to mineral owners. It also is defending two class actions in the courts and a third in arbitration.

Many of the charges against it center on how the company deducts expenses incurred after the gas is produced from its royalty payments.

“I have received complaints from my constituents and your leaseholders regarding practices of Chesapeake Energy which strike many as unfair and perhaps illegal,” Pennsylvania Governor Tom Corbett wrote <sup>[5]</sup> to Doug Lawler, CEO of Chesapeake Energy. “It defies logic that, in some cases, landowners are being advised that they may actually owe money, rather than receive the fair and just royalty to which they are entitled.”

State law demands that landowners receive at least 12.5 percent of the value of the oil and gas drillers produce – but companies like Chesapeake have aggressively looked for loopholes and found ways to pay out less.

*Pennsylvania State Rep. Jesse White explains how companies sought to reduce royalty payments using post-production deductions. © 2014 Laura Evangelisto*

Chesapeake told investors in its filing that, although it is “reasonably possible” that the company will lose in court, “we are currently unable to estimate an amount or range of loss or the impact the actions could have on our future results of operations or cash flows.” One of the lawsuits was settled for \$7.5 million, but that figure could change as more landowners

join the lawsuit.

Another suit <sup>[6]</sup> alleges that the company engaged in self-dealing and shorted landowners by roughly \$4.76 billion.

Officials from the state, which has taken a laissez-faire approach to environmental and economic problems related to shale gas, expressed surprise that this approach had not worked. "We had hoped there would be a voluntary self-policing," Lieutenant Governor Jim Cawley told StateImpact <sup>[7]</sup>. "I think that was the governor's original intent in reaching out to the company, but it didn't happen."

Governor Tom Corbett was voted out of office in November, becoming the first incumbent governor to lose a re-election bid in the state since its constitution was amended in 1968.

In neighboring West Virginia, former Chesapeake CEO Aubrey McClendon first faced trouble over revelations by the Pittsburgh Post-Gazette that McClendon was taking out loans against its mineral leases – part of what Reuters later revealed to be a \$1 billion in lending that was never disclosed to investors.

But the company's legal troubles extend far past the east coast. The company has set aside \$100 million to cover claims from a class action in Oklahoma over royalty payments, it disclosed in its quarterly filing, part of a case that, as of July 2014 headed back to trial following a failed attempt to block the class action by Chesapeake.

But it may just be Texas where the company faces the broadest number of legal claims.

"I can't tell you how dishonest these people are. The dishonesty is breathtaking," Texas lawyer Dan McDonald told a crowd of landowners, according to <sup>[8]</sup> the Star-Telegram, which is separately suing the company. "They have stolen our money. They have cheated us."

The attorney hired the same landmen who originally helped oil and gas companies find mineral rights owners – and used their information to send leaseholders a letter inquiring about how they felt they had been treated. He was inundated with replies from landowners who had seen checks unexpectedly plummet.

"They were getting \$3 [mcf, or per 1,000 cubic feet] from XTO and less than a dollar from Chesapeake," McDonald said <sup>[8]</sup>. "These people didn't have to be convinced they had been cheated."

Large institutions in Texas have sued as well. Chesapeake has already agreed to pay \$700,000 to the city of Arlington and another \$1.8 million to Tarrant County's water district. The Fort Worth school system, housing corporation and even the city's newspaper, the Star-Telegram, have all filed suit against the company. One prominent family, the Hyder family, won an award of \$1 million for its lease of 1,000 acres.

These claims could run aground in state court, after a ruling by the 5th Circuit Court of Appeals that blocked royalty claims. Although the federal court's ruling is not binding on Texas state judges, it could prove persuasive, legal experts say.

"It really hurts the ability to have one of these cases," said <sup>[9]</sup> Robert O'Boyle, the Austin

attorney representing landowners in one of the cases. “They [the federal judges] don’t care how hard [landowners] tried to contract around this. Big oil wins.”

The federal government itself has been shortchanged by Chesapeake. In one case, the company was hit with a \$765,000 fine for “knowing or willful submission of inaccurate information” that led to underpaid royalties for drilling on federal lands.

The company's federal filing also makes clear that it considers liability for environmental damage and fines a part of doing business, and that it has set aside funds to cover these costs. “Environmental reserves are established for environmental liabilities for which economic losses are probable and reasonably estimable,” Chesapeake Energy said in its 10Q.

Of course, while Chesapeake faces an unusually high number of claims, landowners who've signed with other oil and gas companies have also felt like they were treated unfairly.

In 2007, the National Association of Royalty Owners hired a forensic accountant to check the books on various drillers – and the resulting report [10] found that nine out of ten of the top producers in western states like Colorado and Texas had “used affiliates and subsidiaries to reduce income to royalty owners and taxing authorities.”

“Every company has been involved,” Jeffrey Matthews, a vice president and forensic accounting expert at Charles River Associates said [11], according to ProPublica, which investigated what it called a \$5 billion shuffle made by Chesapeake in May of this year. “If you’re dealing with related parties, the costs can be double, or triple. You don’t know if you are paying for something two to three times over.”

Read more: [As Chesapeake Energy Reveals Department of Justice Investigation, Other Lawsuits Piling Up](#) [12]

**Source URL:** <http://www.desmogblog.com/2014/11/24/chesapeake-energy-reveals-department-justice-investigation-other-lawsuits-piling>

**Links:**

[1] <http://seekingalpha.com/news/2103735-chesapeake-subpoenaed-by-doj-states-over-royalty-payments>

[2] <http://www.bloomberg.com/news/2014-05-01/probe-into-chesapeake-and-encana-michigan-gas-leases-ends.html>

[3] <http://seekingalpha.com/news/2096735-chesapeake-energy-balance-sheet-almost-fully-healed-sterne-agee-says>

[4] <http://www.marketwatch.com/story/icahn-is-losing-seven-times-more-on-chesapeake-than-hes-making-on-apple-2014-10-09>

[5] <https://www.documentcloud.org/documents/1018371-stateimpact-pa-chesapeake-energy-letters.html>

[6] <http://http://www.law360.com/articles/550754/chesapeake-energy-faces-pa-class-action-over-royalties>

[7] <http://stateimpact.npr.org/pennsylvania/2014/03/04/it-governor-cawley-chesapeake-energy-royalty-practices-are-egregious/>

[8] <http://www.star-telegram.com/2014/09/13/6117352/lawyer-seeks-thousands-of-clients.html>

[9] <http://www.star-telegram.com/2014/08/02/6014462/appeals-court-sides-with-chesapeake.html>

[10] <http://www.propublica.org/documents/item/1084764-naro-report-on-royalties.html>

[11] <http://www.propublica.org/article/chesapeake-energy-5-billion-shuffle>

[12] <http://www.desmogblog.com/2014/11/24/chesapeake-energy-reveals-department-justice-investigation-other-lawsuits-piling>

## How 'Orphan' Wells Leave States Holding the Cleanup Bag

By Dan Frosch and Russell Gold

GILLETTE, Wyo.—After a natural-gas boom in the Powder River Basin here petered out several years ago, few energy companies were interested in the leftover wells pockmarking the prairie. Then Ed Presley came along.

The burly, bearded speculator acquired roughly 3,000 idle wells, many for a few dollars. With a salesman's charm, he vowed to revive the wells with a contraption called the Gazmo.

But Mr. Presley's plan never produced any gas. He says he couldn't raise enough money for his company, High Plains Gas Inc., to follow through. Last year, Wyoming seized most of his wells to ensure they didn't pollute groundwater or soil, declaring them abandoned.

On one ranch near Gillette last month, several of Mr. Presley's former wells peeked from the snow. Inside the flimsy sheds covering them, jumbles of rusting pipes protruded from the ground, worn company signs dangling nearby.

Wyoming is now stuck cleaning up these deserted wells from a bygone boom, and thousands more owned by Mr. Presley and others, at a cost state regulators estimate will be tens of millions of dollars. State officials say the responsible parties never paid enough in regulatory fees to reclaim the wells.

Wyoming's troubles with Mr. Presley's wells are a cautionary tale for states amid the energy rush. Drilling booms historically leave legions of idle wells that become state or federal wards. Yet agencies in some states, and federal regulators, aren't adequately equipped to clean up so-called orphaned sites at a time when shale drilling is raising the prospects of still more.

Hydraulic fracturing has, for example, brought new drilling in the Marcellus Shale that lies under states like Pennsylvania and West Virginia. The potential for more orphaned wells "is certainly a concern of ours," says David Belcher, assistant enforcement chief for West Virginia's oil-and-gas office. "It could be considered a liability for the state."

Jay Parrish, Pennsylvania's state geologist from 2001 to 2010, says he is concerned Marcellus drilling could leave that state with a surge in environmentally hazardous wells without enough funds to clean them up.

"We run the risk of doing what we did with the last two iterations of lumber and coal," he says, "where we allow



the industry to walk away from problems and the state is faced with having to fix it later."

Who pays to plug a well?

Abandoned wells can deteriorate underground over time, a process that can go unnoticed without inspection. A 2011 study by the Groundwater Protection Council, a nonprofit made up of state water agencies, found orphaned wells caused about one in five incidences of recorded oil and gas groundwater contamination in Ohio and Texas.

Plugging a well—removing equipment and filling holes with cement—costs \$25,000 to \$100,000 for conventional sites, by some state regulators' estimates. Horizontal wells, typical in fracking, will likely cost more to plug, they say.

Mr. Presley's High Plains wells, which are shallow, will cost about \$7,500 each to plug, says Bob King, Wyoming's orphan-wells project manager.

"It is irresponsible to leave them abandoned without dealing with them," says Wyoming Gov. Matt Mead of his state's problems with orphaned wells. "We shouldn't have to pay for it."

To avoid having to pay steep costs, most states and the federal government have policies to lay aside funds to clean up orphans, primarily by requiring companies to post bond before prospecting. But bonding often sets aside too little, leaving some agencies struggling to clean up tens of thousands of wells.

There is little nationwide data on orphaned wells or on which states face the greatest funding shortfalls for plugging. Lucas Davis, an associate economics professor at University of California, Berkeley, says current bonding levels are "unreasonably low" and should be raised in anticipation of abandoned wells from fracking.

"Given the sheer number of wells that are being drilled by companies, many of which are small and medium sized, states really need to be worried about situations where no company is around anymore," he says.

"Without increased bonding levels, these cleanups will be financed by the state and federal government."

Many energy-rich states are already saddled with having to plug thousands of abandoned wells from past booms. Pennsylvania's bonding ranges from \$2,500 per conventional well to a \$600,000 blanket bond for multiple unconventional wells. In 2014, the state plugged 48 wells from a list of 8,371 orphans, state records show.

Mr. Parrish, the former Pennsylvania state geologist, says the "bonding is outrageously small" in the state. A

spokeswoman for Pennsylvania's environmental-protection department says the adequacy of that bonding is under review.

Louisiana from 2008 through 2013 plugged an average 95 wells annually but added an average of 170 a year to its orphans list, a 2014 state audit showed. The audit found that, because of antiquated regulations and exemptions, 75% of the state's wells had no bonding on them.

"Not requiring sufficient financial security amounts may provide an incentive for operators to abandon their wells since forfeiting the financial security may be more economical than paying plugging costs," the audit said.

A Louisiana Department of Natural Resources spokesman says regulators are working to strengthen bonding requirements.

Texas, which grappled with orphan wells in the 1990s, has required operators since 2001 to post a \$2 bond for every foot of depth or \$250,000 to cover numerous wells. Still, the number of abandoned wells in Texas has grown 25% during the past two years, state figures show. Texas has roughly 9,300 wells it considers orphans. It plans to plug about 290 this fiscal year.

A spokeswoman for the Texas Railroad Commission, which oversees drilling, says there aren't plans to review bonding requirements and that the state's program is working, noting that the number of abandoned wells has dropped about 44% over roughly a decade.

In 2011, West Virginia established stronger bonding for horizontal drilling used in fracking: \$50,000 per well or a blanket \$250,000 per driller, compared with \$5,000 to \$50,000 for conventional drilling.

But the West Virginia Surface Owners' Rights Organization, a landowners' group, says blanket bonding in particular is still far too low and that the rush to drill the Marcellus could lead to a wave of abandoned wells.

Mr. Belcher, the West Virginia oil regulator, says conditions of such wells will ultimately vary but "on an average case, you may have an issue with the funding." He says the state is now calculating the cost of plugging horizontal wells.

#### The Gazmo

Wells like Mr. Presley's often end up orphaned after passing from large companies to smaller ones without wherewithal to plug them.

Describing himself as a longtime oil man, Mr. Presley, 68, tells of working drilling jobs in Ohio and West Virginia before heading for the natural-gas rush sweeping the Powder River Basin.

Shortly after arriving in Sheridan, Wyo., in 2001, he says he met Kit Jennings, a Wyoming-state senator at the time who had patent rights to a technology that purportedly drew methane from coal seams more effectively. Christening the technology 'The Gazmo,' Mr. Presley told investors he, Mr. Jennings and another partner had a way to rejuvenate idle wells that larger companies had left for dead. Mr. Jennings confirms that account, declining further comment.

In 2004, Mr. Presley filed for Chapter 11 bankruptcy shortly after a lending company wired him \$550,000 for what proved to be a nonexistent drilling rig. The lender sued him in federal district court in New Mexico, where the judge ruled he and several others had committed fraud, awarding the lender \$550,000.

Mr. Presley says that he wasn't aware the rig was fictitious at the time and that he knows he must pay the award at some point.

He says he was certain the Gazmo would succeed, helping him settle debts. His original plan, he says, was: "We'll just go out there and take wells over and get them for nothing to put them into production."

With natural-gas prices sinking around 2010, he had little trouble finding operators happy to unload coal-bed-methane wells in the Powder River Basin that were now idle. The first company he acquired, High Plains, owned about 1,600 idle wells it obtained that year from Pennaco Energy, Securities and Exchange Commission filings show. Pennaco is a subsidiary of Marathon Oil Corp., which didn't respond to inquiries.

Mr. Presley says High Plains owed Wyoming at least \$10 million in fees for idle wells, compliance fines and unpaid royalties. When Mr. Presley offered to take on the wells in 2013, High Plains' owners agreed to give him the company at no cost, he says. A lawyer who represented High Plains at the time declines to comment.

Mr. Presley soon after bought wells from Colorado-based Patriot Energy Resources originally drilled by Devon Energy Corp., a large Oklahoma City company.

In 2013, Patriot's parent, Luca Technologies Inc., filed for Chapter 11 bankruptcy. Luca agreed to sell Patriot and its approximately 1,350 wells to Mr. Presley for \$10 last March, bankruptcy-court records show. Matt Micheli, then Luca's general counsel, says Mr. Presley's offer made sense, given the company's problems. "We didn't have any real choice."

When the deal closed, Mr. Presley became an abandoned-well mogul.

Attachment 4  
3/2/15



# Unitization Explained

## IDAHO DEPARTMENT OF LANDS

Director Tom Schultz



# Standard Gas Default Spacing of 640 Acres

## Legend

- Gas Wells
- Fault
- Mineral Acres Leased
- Township
- Section
- Pool

## Explanation

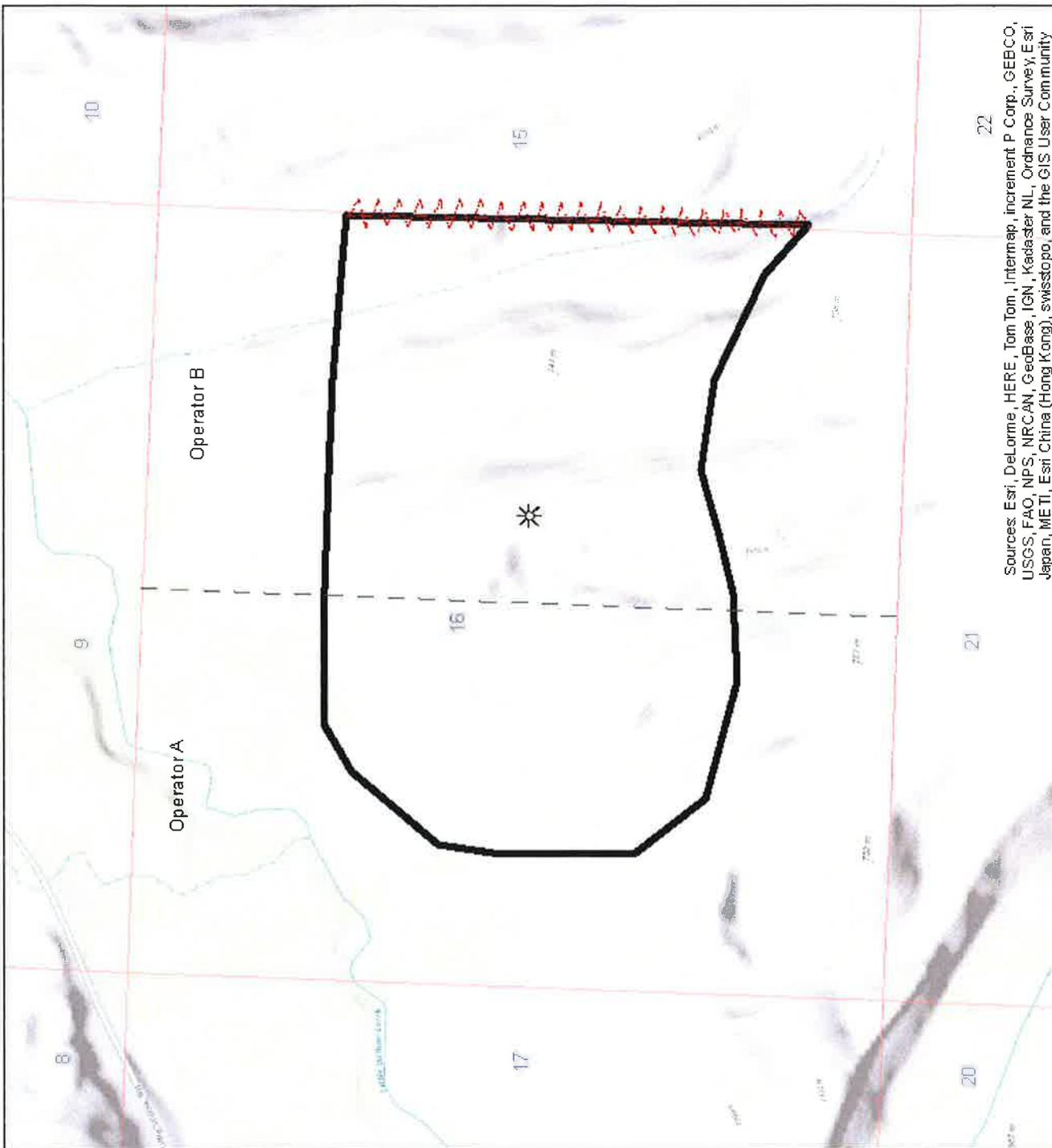
File Path: \\idaho-transmission\menabr\IDTM83

Map Notes and Data Sources  
Section Example

### Disclaimer:

This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and compliance is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.

02/03/2015



Sources: Esri, DeLorme, HERE, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, and the GIS User Community







Juanita Budell

Attachment 5

3/2/15

From: JohnK Ponath [jkponath@mybluelight.com]  
Sent: Sunday, March 01, 2015 5:42 PM  
To: Juanita Budell  
Subject: written comments gas & oil bills H48,H49,H50

March 1, 2015

[sres@senate.idaho.gov](mailto:sres@senate.idaho.gov)

Senate Resources & Environment Committee

Chairman Blair

Written Testimony since we are unable to attend the hearing of the three gas and oil bills, H48,H49, and H50.

We own a small 20 acre parcel of land and we do not want the oil & gas production on the land. We live in Canyon County and raise alfalfa/grass hay for sale and also have livestock on the property.

We do not want to lose our property rights that include the right to control our mineral rights.

We do not want to lose the right to keep our home, refinance our home, sell our home, or insure our home and property plus lose the property value. We do not want to lose our property rights because of the "deemed leased" clause. Just because 55% of the other land owners want to give mineral rights, we do not want 55% of land owners to tell us what we do with our property rights.

Please consider adding new rules to the Oil & Gas Commission that will protect our "Property Rights and Mineral Rights that belong to us as Property Owners.

Sincerely,

Sally Ponath

John Ponath

Juanita Budell

Attachment 6

3/2/15

**From:** Joe Morton [jmorton@silverleafidaho.com]  
**Sent:** Monday, March 02, 2015 12:47 PM  
**To:** Juanita Budell  
**Cc:** Representative Terry Gestrin; thaun20@msn.com; Representative Merrill Beyeler; Senator Steven Thayne; Bobby Johnson - Idaho - O&G Program Manager; tschultz@idl.idaho.gov; Tyson Nelson  
**Subject:** Oil & Gas Hearing today

Dear Honorable Members of the Senate Resources and Environment

Apropos of the Oil & Gas Commission's recent flurry of rules touching on Integrated Units, it is well worth noting again that this is a law that pits neighbor against neighbor, perhaps family members against family members, and oil & gas drillers against rural property owners - particularly in the case of those who own only surface rights in a split estate and who do not have ANY say in the conversation as these rules are currently written. Landowners in general have few rights, and the deck is stacked unfairly in favor of those who profit from oil & gas extraction.

In late 2014, the governor of Colorado assigned a special Oil & Gas Task Force to coordinate state, local, and industry interests so as to minimize land use conflicts that have developed there. The recommendations draft from this Task Force (<http://dnr.state.co.us/ogtaskforce/Documents/finalrecsogtf.pdf>) shows what the really important issues are, beyond merely setting things up FOR the gas & oil industry to be able to operate efficiently.

We can learn much from the experiences and concerns of those in matured G&O jurisdictions, such as the state of Colorado. One major thing we learn from this effort is that without the O&G Commission having seen to these things, there was a NEED for a Task Force to "reasonably and effectively balance land use issues in a way that minimizes conflicts while protecting communities and allowing reasonable access to private mineral rights." The people on this Task Force had to be assigned to solving ALL the big issues that have arisen, including ameliorating G&O's interference with on-the-ground private rights and "harmonizing state and local authority" (which features in many of the recommendations).

Even without a special task force, the document itself demonstrates a way for each Idaho O&G Commission member to effectively participate rather than just listen and react at the end of what has been intrinsically an industry-driven planning process. It also gives guidance on what issues are most likely to be neglected by those working closely with G&O industry operations, since that focus is NOT on people and communities. This is what is missing now - and much trouble can be avoided by dealing with these issues BEFORE they become nightmares for the State and its citizens.

(I would suggest giving special attention to the "Rationale's listed. These, where present, seem to be excellent concise statements of what has been wrong that needs to be fixed.)

I think that if, in particular, you would make time to peruse this document prior to voting on any related issues, your constituents will have cause to be grateful. I believe that such rules and legislation CAN give protection to minority and split estate landowners without in any way jeopardizing the development of natural gas in Idaho.

Thank you in advance for your help and consideration on this matter.