

Attachment 4  
2/19/16

**Testimony regarding S1339**  
**Oil and Gas**  
**Tom Schultz, Director, Idaho Department of Lands**

Thank you Mr. Chairman, members of the committee. My name is Tom Schultz; I am the Director for the Idaho Department of Lands and Secretary of the Idaho Oil and Gas Conservation Commission. I come before you today to provide testimony regarding Senate Bill 1339.

The Commission met on Thursday, February 18, 2016, and voted unanimously to support this bill.

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Sections 1, 2, 4, 5, and 6 of the bill gives the Department the power to exercise, under the general control and supervision of the commission, all of the rights, powers and duties vested by law in the Commission, except those provided in Idaho Code §§ 47-324 and 47-325(c).

Section 3 of the bill amends Idaho Code § 47-320 regarding permits to drill or treat a well. The Department would have up to five (5) business days to notify an applicant if an application is incomplete. Complete applications will be sent to the Idaho Department of Water Resources for review, and they have ten business days to provide comments. Complete applications will also be posted on the Department website for a written comment period of 10 calendar days. The Department must approve or deny an application within 15 business days of receiving a complete application.

Section 5 of the bill establishes the application requirements for integrations. It is similar to the requirements currently in the administrative rules, but the unleased mineral interest owners and the resume of efforts are treated as confidential. Application processing is referred to Idaho Code § 324, which is amended in Section 7 of the bill.

Section 6 of the bill refers the processing of unit operation issues to Idaho Code § 324, which is amended in Section 7 of the bill.

Section 7 of the bill contains new administrative procedures for the Commission. These cover rulemaking proceedings, complaints, and appeals. This section also has a new process for the Department to follow when an order is requested regarding oil and gas activities. This process does not apply to drilling permits or orders related to enforcement actions in Idaho Code § 325.

In the new Section 7 administrative process, the Department would have up to five (5) business days to notify an applicant if an application is incomplete. For integration and unitization applications, the Department must then send the redacted application and notice of hearing to the mineral interest owners and the respective city and county. The Department must also post the redacted application on its website within seven (7) days of receiving the application. A hearing on the application must be held within 30 calendar days of being received by the Department. The applicant must also publish notice of the application in the local newspaper for mineral interest owners who cannot be located. Objections to the application must be filed by uncommitted mineral interest owners seven (7) days prior to the hearing date. Discovery is not permitted, and the Director must issue a written decision within 30 days of the hearing. Appeals must be filed within 14 days, and those appeals must be heard by the Commission within 30 days. Actions taken by the Commission will be subject to judicial review as outlined in Title 67, Chapter 52, Idaho Code. If no appeals to the Director's decision are timely filed, then it becomes a final order.

Again, the Commission unanimously supports this bill, and with that I ask you to support this legislation.