

Senate committee OKs bill to speed up oil and gas production

By KEITH RIDLER, Associated Press

BOISE, Idaho (AP) — A Senate panel on Friday advanced an industry-backed bill intended to speed up natural gas and oil production in Idaho by altering the state's decision making process and setting deadlines.

The Senate Resources and Environment Committee voted 8-1 to approve the measure making the Idaho Department of Lands responsible for initial decisions and the five appointed members of the Idaho Oil and Gas Conservation Commission more of an appellate body that approves or reverses those decisions.

Currently, the commission is tasked with making front-line decisions, but has openly struggled at times.

The proposed change makes the relationship between the Department of Lands and the commission similar to other state agencies overseen by commissions, said Sen. Jeff Siddoway, R-Terreton.

"Now we've evolved to that situation here," he said.

Kate Haas, a lobbyist for Houston-based Alta Mesa, told lawmakers that the current process is asking too much of members on the Oil and Gas Commission, which formed in 2013.

"They're expected to have the technical expertise," she said.

On Thursday, the commission itself voted 5-0 to support the proposed law.

"We don't have a process that works," Commissioner Jim Classen said at that meeting.

Backers say the new process sets deadlines that would reduce the time from 400 days to about 100 days for oil and gas applications involving appeals.

Idaho lawmakers and regulators for the last five years have been trying to keep up with the nascent oil and gas industry that's being propelled by new technologies that have pinpointed what companies believe are profitable reserves.

Scott Cockerham, managing director of Conway MacKenzie Capital Advisors and an energy sector expert, reviewed the bill and said the proposed Idaho process is how a lot of other oil and gas producing states already function. He also said going from 400 to 100 days made sense.

"One hundred doesn't feel too soon, but 400 days definitely feels too long," he said.

Tom Schultz, director of the Department of Lands, said his agency would be able to meet the proposed deadlines at current levels of work. He said after the meeting committee meeting Friday that not being able to meet a deadline would not result in an automatic approval of an application.

Sen. Michelle Stennett, D-Ketchum, said her concerns included the state agency's small staff being able to handle the workload, especially if it increased, and cast the lone vote against advancing the bill.

About 100 people attended the meeting and most who spoke opposed the bill. In general, they live in western Idaho where drilling and exploration is being conducted. They mostly objected that it was happening in their area and said it violated their private property rights.

Copyright 2016 The Associated Press