

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 125

BY RESOURCES AND CONSERVATION COMMITTEE

AN ACT

RELATING TO OIL AND GAS; AMENDING SECTION 47-318, IDAHO CODE, TO REVISE THE
DEFINITION OF "GAS."

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 47-318, Idaho Code, be, and the same is hereby
amended to read as follows:

47-318. DEFINITIONS. Unless the context otherwise requires, the terms
defined in this section shall have the following meaning when used in this
act:

(a) "Commission" means the oil and gas conservation commission.

(b) "Condensate" means the liquid produced by the condensation of a va-
por or gas either after it leaves the reservoir or while still in the reser-
voir.

(c) "Correlative rights" means the owners' or producers' just and equi-
table share in a pool.

(d) "Field" means the general area underlaid by one (1) or more pools.

(e) "Gas" means any petroleum hydrocarbon existing in the gaseous
phase, including condensate because it originally existed in the gaseous
phase.

(f) "Market value" means the price at the time of sale, in cash or on
terms reasonably equivalent to cash, for which the oil or gas should bring in
a competitive and open market under all conditions requisite to a fair sale,
the buyer and seller each acting prudently and knowledgeably, and assuming
the price is not affected by undue stimulus from either party. The costs of
marketing, transporting and processing oil and gas produced shall be borne
entirely by the producer, and such cost shall not reduce the producer's tax
directly or indirectly.

(g) "Oil" or "crude oil" means petroleum oil and other hydrocarbons,
regardless of gravity, that are produced at the well in liquid form by ordi-
nary production methods and are not the result of gas condensation before or
after it leaves the reservoir.

(h) "Oil and gas" means oil or gas or both.

(i) "Owner" means the person who has the right to drill into and produce
from a pool and to appropriate the oil or gas that he produces therefrom, ei-
ther for himself or for himself and others.

(j) "Person" means any natural person, corporation, association, part-
nership, receiver, trustee, executor, administrator, guardian, fiduciary
or other representatives of any kind, and includes any government or any po-
litical subdivision of any agency thereof. The masculine gender, in refer-
ring to a person, includes the feminine and the neuter genders.

1 (k) "Pool" means an underground reservoir containing a common accumu-
2 lation of oil or gas or both; each zone of a structure that is completely sep-
3 arated from any other zone in the same structure is a pool.

4 (l) "Producer" means the owner of a well or wells capable of producing
5 oil or gas or both.

6 (m) "Reservoir" means a subsurface volume of porous and permeable rock
7 in which oil or gas has accumulated.

8 (n) "Waste" as applied to gas shall include the escape, blowing or re-
9 leasing, directly or indirectly, into the open air of gas from wells produc-
10 tive of gas only, or gas in an excessive or unreasonable amount from wells
11 producing oil or both oil and gas; and the production of gas in quantities or
12 in such manner as will unreasonably reduce reservoir pressure or unreason-
13 ably diminish the quantity of oil or gas that might ultimately be produced;
14 excepting gas that is reasonably necessary in the drilling, completing and
15 testing of wells and in furnishing power for the production of wells.

16 (o) "Waste" as applied to oil means and includes underground waste;
17 inefficient, excessive or improper use or dissipation of reservoir en-
18 ergy, including gas energy and water drive; surface waste, open-pit storage
19 and waste incident to the production of oil in excess of the producer's
20 above-ground storage facilities and lease and contractual requirements,
21 but excluding storage (other than open-pit storage) reasonably necessary
22 for building up and maintaining crude stocks and products thereof for con-
23 sumption, use and sale; the locating, drilling, equipping, operating or
24 producing of any well in a manner that causes, or tends to cause, reduction of
25 the quantity of oil or gas ultimately recoverable from a pool under prudent
26 and proper operations.

27 (p) The use of the plural includes the singular, and the use of the sin-
28 gular includes the plural.