IDAHO DEPARTMENT OF LANDS DIRECTOR'S OFFICE

300 N. 6th Street Suite 103 PO Box 83720 Boise, ID 83720-0050 Phone (208) 334-0200 Fax (208) 334-5342



IDAHO OIL AND GAS CONSERVATION COMMISSION

Betty Coppersmith, Chair Ray Hinchcliff, Vice Chair Jim Classen Dustin Miller Jennifer Riebe

August 10, 2022

Michael R. Christian Hardee, Piñol & Kracke PLLC 1487 S. David Lane Boise, Idaho 83705

via e-mail: mike@hpk.law

Re: Integration Application, - Docket CC-2022-OGR-01-001

Dear Mr. Christian:

This letter serves as acknowledgement that the Idaho Department of Lands received the above-referenced integration application on July 22, 2022 (Application). As described in Idaho Code § 47-328(3)(a), "The department shall notify the applicant within five (5) business days of receipt of an application if additional information is required for the department to evaluate the application." After reviewing the Application, the Department is requesting a couple of additional items which will help to clarify certain parts of the Application, as submitted.

- **1. Cover Letter and Summary of Exhibits:** Page 2, paragraph 5 states that well logs and completion reports will be submitted as required by IDAPA 20.07.02.340 and .341. Production reporting will be submitted as required by IDAPA 20.07.02.400 .405. Additional reporting requirements for well information and production data, including timeframes for submitting the required reports are also addressed in Idaho Code § 47-324 and should be included here.
- **2. Exhibit A Map of subject unit, Section 30, T8N R4W**: As described in statement 2 of the Application, the map depicts the requested section with uncommitted tracts highlighted and numbered. The SE ¼, NW ¼ Section 30 contains one small yellow highlighted parcel which is not numbered. Please provide information to identify this tract, the ownership and number of acres contained within this area.
- **3. Section 4 of the Application Statement that the proposed drill site is leased (Idaho Code § 47-320(4)(d)):** Statement 4 of the application states the proposed drill site is located in the SE ¼, NW ¼ of Section 30. Statement 5, paragraph 1 states that the "Initial well location is approximately 1150' from the west unit boundary and 2500' from the north unit boundary." This location falls within the SW ¼ NW ¼ of Section 30, 170' west of the west line of the SE ¼ NW ¼ Section 30. Exhibit C- Declaration of Travis Boney, Statement 8 (sic) indicates the proposed drill site in located in the SE ¼, NW ¼ Section 30. Please provide the department with the correct section calls for the proposed well location to resolve these discrepancies.

- **4. Exhibit C Declaration of Travis Boney**: Page 3 contains two statements labeled "8" and two statements labeled "9". Please correct the numbering sequence for all statements in the Declaration.
- **5. Exhibit E Proposed Form of Lease:** The first paragraph states, "WITNESSETH, For and inconsideration [sic] of TEN DOLLARS, the covenants and agreements contained herein, ... Lessor does hereby grant, demise, lease and let exclusively unto said Lessee"

Page 3, paragraph 4 of the Cover Letter and Summary of Exhibits states that the highest bonus paid is \$100.00 per acre, and owners of tracts of less than one acre were paid a flat rate of \$100.00. Exhibit C, Declaration of Travis Boney, pages 1 and 2, Item 4 also state that the highest bonus paid is \$100.00 per acre, and owners of tracts of less than one acre were paid a flat rate of \$100.00.

Please correct the Proposed Form of Lease to indicate that the Lease bonus rate is \$100.00 per acre, and a flat rate of \$100.00 for tracts less than one acre.

6. Exhibit F – List of tract owners: Parcel #46, 08N04W305550 is listed as 1.6 Total Net Acres, 0 (zero) Total Open Acres, 1.59 Total Leased Acres, but the Total Leased % (acres) is noted as 0 (zero). Exhibit A – Map of subject unit depicts this tract as leased. Please correct the discrepancy between total leased acres and total leased % (acres).

Parcel #55, 08N04W308720 is listed as 1.27 Total Net Acres, 1.27 Total Open Acres, 0 (zero) Total Leased Acres and 0 (zero) Total Leased % (acres). However, Exhibit A – Map of subject unit depicts parcel #55 as leased. Please correct the discrepancy between Exhibit A and Exhibit F regarding the lease status of parcel #55.

- **7. Exhibit I Proof of Publication, Notice of Intent to develop:** The Notice of Intent to Develop includes a copy of the legal notice, #53605, dated July 13, 2022 published in the Argus Observer. The Notice of Intent to Develop states the spacing unit is located in Section 30, Township 8 North, Range 5 West.
- **8. Exhibit K Proof of publication notice of application:** On August 1, 2022 the Applicant submitted an Affidavit of Publication, receipt, and copy of the Notice of Intent to file an application for an order requesting integration. The Intent to File states the applicant is Alta Mesa Services and Snake River Oil and Gas, LLC. The Intent to File also states the spacing unit is in Section 30, Township 8 North, Range 5 West.

Michael Christian August 5, 2022 Page 3

On August 4, 2022 the Applicant submitted an Affidavit of Publication, receipt, and copy of the Notice of Filing of an application for an order requesting integration. The Notice of Filing states the applicant is Snake River Oil and Gas, LLC. The Notice of Filing also states the spacing unit is in Section 30, Township 8 North, Range 4 West.

Please provide an explanation for the apparent discrepancies between the Proof of Notices in Exhibits I and K, and submitted on August 4, 2022.

If you have any questions, you can reach me at (208) 334-0243 or ithum@idl.idaho.gov. Thank you for your assistance.

Sincerely,

James Thum

Idaho Department of Lands

James There

Division of Minerals, Public Trust, Oil & Gas

Ecc; Mick Thomas, Division Administrator, Idaho Department of Lands