

FALLON ENTERPRISES, INC.

1340 HARTMAN ROAD
LIVERMORE, CA 94551

May 12, 2021

By Email <kromine@idl.idaho.gov>

Idaho Department of Lands
Attn.: Mick Thomas, Division Administrator
300 N. 6th Street, Suite 103
P.O. Box 83720
Boise, ID 83720-0050

Re: Fallon #1-11- Docket No. CC-2021-OGR-01-001

Dear Mr. Thomas:

My name is Nancy Bankhead and I am the owner and president of Fallon Enterprises, Inc., a small California corporation that was started by my mother in 1967. Fallon Enterprises, Inc. owns approximately 900 acres in Payette County on which sits the Fallon #1-10 well and the proposed Fallon #1-11 will. I am writing to convey the support of Fallon Enterprises, Inc. for Snake River Oil & Gas regarding a finding that the terms for the Fallon #1-11 spacing unit are “just and reasonable”.

The first time I drove through Payette, I asked who owned what is now our ranch, as it was such a beautiful place. When it came up for sale, I was lucky enough to be the buyer of the ranch; which I’m told makes Fallon Enterprises one of the largest landowners in this part of rural Idaho. I think it is a wonderful place. The plan had been for my mother and I to move up to the Payette ranch when we sold Fallon Enterprises’ cattle ranch in Livermore, California. Unfortunately, circumstances made it that I was never able to move up there and work the ranch. I can assure you that Fallon Enterprises Inc. would do nothing to harm that ranch. We signed a gas lease and began working with Snake River Oil & Gas to add the gas wells only to help me keep the ranch. I would do nothing to spoil the condition of the land. Keeping the land for ranching is what is important to me.

Our property is approximately 45% of the spacing unit; and I understand that approximately another 45% of the affected mineral rights owners have voluntarily leased their land, making it approximately 90% of us who wish to develop our minerals with this well. “Just and reasonable” must mean that the spacing unit is fair to those mineral owners who favor development of their minerals, as well as fair to those who have not leased, for whatever reason. Imposing terms or requirements that make it difficult or uneconomical for the operator to reach the point of drilling and production is obviously unfair to the 90% majority in the unit who favor development. If you adopt requirements that make it unfeasible or impossible to drill would be a taking of our mineral rights without any compensation.

“Just and reasonable” also is a comparative measure. If the vast majority of people in an area have voluntarily leased under certain terms (e.g., \$100 bonus and

1/8 royalty), it is not "just and reasonable" to reward those owners who hold out, in some cases because they oppose any sort of development.

The area would benefit greatly from the Idaho Department of Lands supporting Snake River Oil & Gas' continued operations in Payette County. Snake River Oil & Gas is attempting to provide a great economic boost to the local area in a number of ways, including their commitment to support local businesses and provide opportunities for the local workforce. The inability of Snake River Oil & Gas to move forward with their development of the Fallon #1-11 spacing unit during this time is costing mineral owners, such as Fallon Enterprises, substantial sums. Please allow this responsible development to move forward so that Payette County can receive the many benefits it will bring.

Very truly yours,



NANCY BANKHEAD, President