

From: [J. Kahle Becker](#)
To: [Mike Christian](#); [Mick Thomas](#); [Kourtney Romine](#); [James Thum](#); [External - Kristina Fugate](#); [JJ Winters](#); [james@idunionlaw.com](#); [Marty Durand](#)
Subject: Re: Docket No. CC-2023-OGR-01-001
Date: Wednesday, March 15, 2023 01:19:42 PM
Attachments: [Gross Post Hearing Brief w Ex 3-15-23.pdf](#)

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All,

Attached for filing in this matter is the Gross's Post Hearing Brief along with Exhibits thereto.

J. Kahle Becker
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From: J. Kahle Becker <kahle@kahlebeckerlaw.com>
Sent: Monday, March 13, 2023 11:33 AM
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Subject: Re: Docket No. CC-2023-OGR-01-001

All,

Attached for filing in this matter is the Gross's Reply to the Applicant's Response Brief. We look forward to seeing you all at the hearing tomorrow.

J. Kahle Becker

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Subject: Docket No. CC-2023-OGR-01-001

All –

Attached is the Opposition of Applicant Snake River Oil and Gas, LLC to Motion for Disqualification.

Thank you.

Michael Christian
Of Counsel
HARDEE, PIÑOL & KRACKE, PLLC
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Boise, ID 83705
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Attorney for Objecting Property Owners

Jordan A. and Dana C. Gross and Little Buddy Farm LLC

BEFORE THE IDAHO DEPARTMENT OF LANDS

In the Matter of the Application of Snake River)	
Oil and Gas, LLC to Integrate Unleased)	Docket No. CC-2023-OGR-O1 -001
Mineral Interest Owners in the Spacing Unit)	
Consisting of Section 24, Township 8 North,)	POST HEARING BRIEF
Range 5 West, Boise Meridian, Payette)	
County, Idaho)	
)	
)	
)	
)	

COME NOW, Objecting Property Owners, Jordan A. and Dana C. Gross and Little Buddy Farm LLC (the Gross's) by and through their attorney of record, J. Kahle Becker, and having attended a Hearing on the Just and Reasonable Factors to be considered, as required by Idaho Code § 47-320(1), in evaluating Snake River Oil and Gas ("Snake Gas") Application proposed herein, and the Hearing Officer having declined to Disqualify himself pursuant to I.C. 67-5252 - prior to IDL responding to my Public Records Request, and files its Post Hearing Brief as follows:

IDL responded to my Public Records Request for leases IDL had entered into with the Applicant shortly after the hearing held on March 14, 2023, to determine Just and Reasonable factors (as required by Idaho Code § 47-320(1)), concluded. That Public Records Response included the Lease, attached hereto as Exhibit A, for public trust lands under the navigable Payette River, which are within the section Snake Gas proposes to integrate in these proceedings. The

response also included numerous other leases for lands owned or managed by other state entities in the immediate vicinity of the parcel to be integrated. The lease attached hereto as Exhibit A had not been previously disclosed to the parties herein by either the IDL or Applicant during these proceedings. Tellingly, IDL made no mention of this lease, nor the more favorable terms it received, when it filed its Response brief on February 28, 2023.

In these proceedings Snake Gas has proposed a lease which subtracts certain costs of production prior to payment of royalties. See Exhibit E ¶ 3(b) to Application. However, in actuality, when it entered into a lease with the Idaho Department of Lands, royalty payments were based on net sales, not gross sales. See Exhibit A at p. 8 ¶ 5. Here, an IDL employee is tasked with serving as a hearing officer to evaluate:

....The department, as a part of the order establishing a spacing unit or units, may prescribe the terms and conditions upon which the royalty interests in the unit or units shall, in the absence of voluntary agreement, be deemed to be integrated without the necessity of a subsequent separate order integrating the royalty interests. Each such integration order shall be upon terms and conditions that are just and reasonable. I.C. 47-320(1)(in pertinent part).

This places the hearing officer in a position where, based on a review of prior integration orders, what was good for the goose was not necessarily found to be good for the gander. In fact, Snake Gas, while claiming to be insulted by arguments put forward by objecting property owners, has made material misrepresentations, by omission, about its proposed lease included as Exhibit E to its application where it states:

6. No existing lessor in the spacing unit has signed a lease with a bonus exceeding \$100 per acre, **or a royalty of more than 1 /8**. No lease in the unit has a primary term of less than three (3) years with an option to extend for an additional three (3) years; several have primary terms of up to five (5) years with an option to extend for an additional three (3) years.

12. The proposed form of lease also provides for no drilling operations on leased integrated tracts, and surface operations only under a surface use agreement with the owner. These are terms not normally offered in an oil and gas lease, because of

the importance of access through the surface to exercise the mineral rights. **These terms are more favorable than those in nearly all leases both in Section 24 and in the surrounding area.**

13. I make this declaration under penalty of perjury under the laws of the State of Idaho.

Exhibit C to Application Declaration of Snake Oil's Landman, Travis Boney. (Emphasis added).

Likewise, counsel for Snake Gas, Mike Christian, repeats this misleading statement, omitting the distinction between royalties calculated based on net as compared to gross sales, on p. 6-8 of his January 23, 2023 Letter attached to the Application, where he requests:

Pursuant to Idaho Code § 47-320(3), Applicant requests that the integrated mineral interest owners be provided with the following alternatives:

c) Leased. An owner may enter into a lease with the operator of the integrated spacing unit under the terms and conditions in the integration order. The owner shall receive a **one-eighth (1/8) royalty**. The operator of an integrated spacing unit shall pay a leasing owner the highest bonus payment per acre that the operator paid to another owner in the spacing unit prior to the filing of the integration application.

Applicant respectfully submits that the foregoing terms and conditions of integration are just and reasonable, in compliance with Idaho Code § 47-320(1), for the following reasons, as set forth in the Declaration of Richard Brown, attached as **Exhibit L**, the Declaration of Travis Boney, attached as **Exhibit C**, and the Declaration of David M. Smith, attached as **Exhibit B**:

b) The proposed form of lease provides that no drilling activities will occur on the surface of the integrated acres and provides that any surface activities must occur under a surface use agreement with the leased owner. As set forth in the Declaration of Richard Brown, **these terms are more favorable than most voluntary other leases in Section 24 and in the surrounding area.** (Emphasis added).

With no discovery authorized, per Idaho Code § 47-328(3)(d), absent public records requests, objecting parties have no mechanism to see if other leased parties have obtained even more favorable terms than those obtained by IDL. Snake Gas has significant credibility issues and bears the burden of proof. *Intermountain Health Care, Inc. v. Bd. of County Comm'rs of Blaine County*, 107 Idaho 248, 251, 688 P.2d 260, 263 (Ct. App. 1984), *rev'd on other grounds* 109 Idaho

299, 707 P.2d 410 (1985). Unfortunately, this hearing process seems to be designed to take the self-serving word of an out of state entity as gospel. This is a denial of due process to objecting parties.

Additionally, the Hearing Officer inquired of me as to the basis for my assertion that the Applicant was receiving approximately \$9 Million per month from the sales of Gas in the vicinity of the area it seeks to integrate. Snake Gas' latest monthly production report is attached hereto as Exhibit B. The aggregate totals for Snake Gas' monthly reported production for December 2022 (the latest month reported as of the 3/14/23 hearing at <https://ogcc.idaho.gov/monthly-and-annual-reports/>) are:

Gas \$8,042,285.12

Condensate \$178,977.16

NGL \$85,681.36

Total: \$8,306,916.64

See Exhibit B at 10-12.

While my addition and rounding up to \$9 Million may have been slightly off based on a quick review of this data prior to the hearing, the fact remains, Snake Gas is making a tremendous return on its operations in Idaho. This completely eviscerates Snake Gas's claims in its Application that it is a Wildcat operation warranting submarket royalty rates and lease terms which heavily favor its interests.

The Idaho Supreme Court's decision in *Intermountain Gas Co. v. Idaho Pub. Utils. Comm'n*, 97 Idaho 113, 129, 540 P.2d 775, 791, 1975 Ida. LEXIS 371, *45, cited in the Gross' Reply Brief, provides some level of insight into the type of data and expert witness testimony which is necessary in this case to determine whether Snake Gas is making a reasonable rate of

return. *See also Federal Power Com. v. Hope Natural Gas Co.*, 320 U.S. 591, 603, 64 S. Ct. 281, 288, 88 L. Ed. 333, 345, 1944 U.S. LEXIS 1204, *21-22.

The rate-making process under the Act, i. e., the fixing of **"just and reasonable"** rates, involves a balancing of the investor and the consumer interests. Thus we stated in the *Natural Gas Pipeline Co.* case that "regulation does not insure that the business shall produce net revenues." 315 U.S. p. 590. But such considerations aside, the investor interest has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock. Cf. *Chicago & Grand Trunk Ry. Co. v. Wellman*, 143 U.S. 339, 345-346. **By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks.** That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital. See *Missouri ex rel. Southwestern Bell Tel. Co. v. Public Service Commission*, 262 U.S. 276, 291 (Mr. Justice Brandeis concurring).
Federal Power Com. v. Hope Natural Gas Co., 320 U.S. 591, 603, 64 S. Ct. 281, 288, 88 L. Ed. 333, 345, 1944 U.S. LEXIS 1204, *21-22 (Emphasis added).

Based on the limited information available to objecting parties and based on a review of royalty payments in other states, and as limited the unconstitutional prohibition on discovery in Idaho Code § 47-328(3)(d), it appears Snake Gas is paying its surface and mineral estate owners submarket rates.

As was pointed out in the Gross's Reply brief, this necessitates the inclusion of a factor to be considered in the "just and reasonable" analysis, pursuant to I.C. 47-320(1) regarding whether Snake Gas is making what amount to windfall profits at the expense of Idaho resident surface and mineral estate owners.

CONCLUSION

With absolutely no data as to Snake Gas' profit margins, rates of return on capital expenditures, risk allocation, overhead, etc., and a proposed lease which seeks to apply royalties what essentially amounts to Snake Gas's net profit, it is clear Snake Gas would prefer a

preordained result. This unconstitutional statutory scheme, which shields a single applicant's business practices from the public, is a state sanctioned monopoly. Pursuant to Idaho Code § 47-320(1), the hearing officer must consider a factor regarding whether Snake Gas is making a reasonable rate of return so as to determine whether integrated property owners are being treated justly and reasonably in the royalty and bonus payments they are to receive.

DATED this 15th day of March 2023.

By: /s/ J. Kahle Becker
J. KAHLE BECKER
Attorney for Objecting Property Owners
Jordan A. and Dana C. Gross and
Little Buddy Farm LLC

EXHIBIT A



STATE OF IDAHO OIL AND GAS LEASE NO. O600643 – Summary Page

Lessor: STATE OF IDAHO, Idaho State Board of Land Commissioners
c/o Idaho Department of Lands
300 N. 6th Street, Suite 103
P.O. Box 83720
Boise, Idaho 83720-0050
Phone: (208) 334-0200
Facsimile: (208) 334-3698
Email: mineralsleasing@idl.idaho.gov

Lessee: Snake River Oil and Gas, LLC
Mr. Richard Brown
P.O. Box 500
Magnolia, Arkansas 71754-0500

Leased Premises: See legal description and map attached as Attachments B and C, respectively.

Surface Owner: State of Idaho.

Existing Conditions: None.

Lease Term: Ten (10) years, beginning November 1, 2022, and terminating October 31, 2032.

Annual Rent: \$250.00

Royalty: 12 ½ %

Bonds: Bonding requirements as more fully described in Section 6 herein.

Liability Insurance: Combined single limit per occurrence, not less than \$1,000,000.00.
Each annual aggregate limit shall not be less than \$2,000,000.00.

Lease Index: Summary Page
Oil and Gas Lease No. O600643
Attachment A – Special Terms and Conditions
Attachment B – Legal Description of Leased Premises
Attachment C – Site Map

This summary page of lease provisions is for convenience and ease of review only. The information in the summary page is intended to be accurate and consistent with the lease terms in the following Lease. In the event any information in the summary page is inconsistent with the Lease, the Lease will control.

Rev. September 2022

**STATE OF IDAHO
OIL AND GAS LEASE NO. 0600643**

This Oil and Gas Lease ("**Lease**"), is dated as of the 1st day of November, 2022 ("**Effective Date**") and is made by and between the Idaho State Board of Land Commissioners ("**Board**"), whose administrative agency is the Idaho Department of Lands ("**IDL**") acting on behalf of the State of Idaho ("**Lessor**"); Snake River Oil and Gas, LLC, an entity duly organized under the laws of the State of Idaho ("**Lessee**"). Lessor and Lessee are collectively referred to herein as the "**Parties**" and individually as a "**Party**". In consideration of the rentals, minimum annual royalties, and production royalties to be paid, and the covenants, conditions, and restrictions as set forth in the Lease herein, Lessor does hereby lease and demise unto Lessee the lands described in Attachments B and C ("**Leased Premises**") for the uses specified herein.

1. DEFINITIONS. Unless otherwise stated, the definitions in I.C. § 47-801 through 47-812 and IDAPA 20.03.16.010 shall be applied to and govern words and phrases used, but not specifically defined in this Lease. Definitions in I.C. § 47-301 through 47-336 and IDAPA 20.07.02.010 will also govern undefined words or phrases to the extent those definitions are consistent with I.C. § 47-801 through 47-812 and IDAPA 20.03.16.010. Where words and phrases are specifically defined in this Lease and not in statute or rule, such words and phrases shall be given the defined meaning in this Lease.

1.1. "Arm's-Length" means a contract or agreement that has been arrived at in the marketplace between independent, non-affiliated persons with opposing economic interests regarding that contract. For purposes of this subpart, two persons are affiliated if one person controls, is controlled by, or is under common control with another person. The following percentages (based on the instruments of ownership of the voting securities of an entity, or based on other forms of ownership) determine if persons are affiliated:

(a) Ownership in excess of fifty percent (50%) constitutes control, or as defined in the joint operating agreement.

(b) Ownership of ten percent (10%) through fifty percent (50%) creates a presumption of control.

(c) Ownership of less than ten percent (10%) creates a presumption of non-control which the commission may rebut if it demonstrates actual or legal control, including the existence of interlocking directorates. Notwithstanding any other provisions of this subpart, contracts between relatives, either by blood or by marriage, are not arms-length contracts. To be considered arms-length for any production month, a contract must meet the requirements of this definition for that production month as well as when the contract was executed.

1.2. "Commission" means the Idaho Oil and Gas Conservation Commission.

1.3. "Cost of Operation" means the costs actually incurred by Lessee in the Production of Oil or Gas after completion of Exploration, site preparation and drilling, and before Oil or Gas is removed from the Leased Premises for refining, transportation, or sale. Cost of Operation may include wages, cost of electricity to run pumps, and regular maintenance, which are all specific to the Leased Premises. Cost of Operation does not include depreciation of equipment, administrative overhead, or capital costs or expenditures.

1.4. "Director" means the Director of IDL.

- 1.5. **"Dry Gas"** means gas that contains less than or equal to seven (7) pounds of water per million standard cubic feet. (The volume of gas, on a Dry Gas basis, is determined by mathematically removing the water vapor from gas that is partially or fully saturated with water vapor at measurement conditions of flowing pressure and temperature. The total energy content of gas is the product of the volume of gas, on a Dry Gas basis, times the heating value per unit volume, in Btu per standard cubic foot, on a Dry Gas basis, at the same base temperature and base pressure.)
- 1.6. The terms **"including"** and **"includes"** mean including, but not limited to.
- 1.7. **"Exploration"** means activities related to the various geological and geophysical methods used to detect and determine the existence and extent of hydrocarbon compound deposits.
- 1.8. **"Hydrocarbon Compound[s]"** means any organic compound consisting entirely of hydrogen and carbon atoms.
- 1.9. **"Gross Production"** means the total volume of all Oil and Gas brought from underground up, to, and through the well head, including all oil Produced at the well head or recovered after being run through a gravity separator or other equipment; all gas, not in liquid form, Produced from the well, including recovery gas lift and injected gas; and all final Natural Gas Plant Liquids.
- 1.10. **"Market Value"** means the price at the time of sale, in cash or on terms reasonably equivalent to cash, for which the oil and 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 severance tax directly or indirectly.
- 1.11. **"Marketable Condition"** means Oil or Gas that is sufficiently free of impurities and otherwise in a condition that will be accepted by a purchaser under an Arm's Length Transaction.
- 1.12. **"Natural Gas Plant Liquids"** means Hydrocarbon Compounds in Non-Processed Gas that are separated as liquids through any type of processing designed to remove elements or compounds, whether hydrocarbon or non-hydrocarbon, including at a fractionating plant, cryogenic plant, or cycling plant, and includes ethane, propane, butane, pentane, and any Hydrocarbon Compound with a molecular weight of C6 and higher. Component Hydrocarbon Compounds may be fractionated, mixed, purified, or blended to make a final product.
- 1.13. **"Non-Processed Gas"** means all Hydrocarbon Compounds that are gaseous at the normal conditions under which their volumes are measured or estimated, and are typically either recovered from the well head or with minimal processing.
- 1.14. **"Oil and Gas"** and **"Oil or Gas"** mean oil, gas, or both oil and gas, and includes casinghead gas; casinghead gasoline; Dry Gas; condensate, meaning hydrocarbon-

based liquids; Natural Gas Plant Liquids; Non-Processed Gas; Processed Gas; or any other Hydrocarbon Compound in liquid or gaseous forms.

- 1.15. **"Processed Gas"** means Hydrocarbon Compounds that have been processed in a processing plant(s) of any kind, located on or off the Leased Premises, to remove or extract Natural Gas Plant Liquids, Condensate, or other Hydrocarbon Compounds from the unprocessed multiphase Hydrocarbon Compound stream to Produce Oil or Gas.
- 1.16. **"Produce[d]"** and **"Production"** mean all Oil or Gas from the Leased Premises brought from underground up to and through the well head and processed or refined, on lease or off lease; except that Oil or Gas consumed for the direct operation of the producing well and that lost through no fault of Lessee.
- 1.17. **"Produce[d] [or Production in Paying Quantities]"** and **"Paying Quantities"** mean that the gross income from Oil or Gas Produced, after deduction of Lessee's taxes and Lessor's Royalty, from the Leased Premises exceeds operation costs.
- 1.18. **"Reworking Operations"** means any actual acts, work or operations that a reasonably prudent operator would engage in to restore Production or increase Production from an already-completed well.
- 1.19. **"Royalty"** and **"Royalties"** mean Lessor's share of all Gross Proceeds from Oil or Gas Produced from the Leased Premises, free of any and all of Lessee's expenses of Exploration, drilling, Production, primary or enhanced recovery operations, and all post-Production costs, and as is further defined in Section 5 of this Lease.
- 1.20. **"Rules"** means IDAPA 20.03.16 – Rules Governing Oil & Gas Leasing on Idaho State Lands, as may be amended.
- 1.21. **"Rules of the Commission"** means IDAPA 20.07.02 - Rules Governing Conservation of Oil and Natural Gas in the State of Idaho, as may be amended.
- 1.22. **"Shut-in Well"** means a producing well removed from active service in anticipation of Reworking Operations, Suspension of Production under provision 3.5, or plugging and abandonment operations. The wellbore condition must be such that its utility may be restored by opening valves or by energizing equipment involved in operating the well, including that the completion interval is open to the tubing and the casing, or is open to the tubing only
- 1.23. **"State Lands"** means lands, including the beds of navigable waters within Idaho, in which the title to mineral rights are owned by the State of Idaho and that are under the jurisdiction and control of the Board or any other state agency.

2. **RIGHTS; GRANTED TO LESSEE, RESERVED BY LESSOR.**

- 2.1. **Leased Premises.** Lessor grants and leases to Lessee the exclusive right and privilege to conduct Exploration for, drill for, Produce, consume for the direct operation of the producing well, and save and sell by Arm's-Length transaction(s) Oil and Gas located within the mineral estate under the surface boundaries of the following-described tract of land located in Payette County, State of Idaho:

Payette River in and adjacent to Gov Lots 1-7, Section 24, Township 8 North, Range 5 West, Boise Meridian, in Payette County, Idaho, containing 53.61 acres, more or less.

2.2. Rights Granted to Lessee.

2.2.1. Use and Occupancy. Lessee is entitled to use and occupy so much of the surface of the Leased Premises as may be required for all purposes reasonably incident to Exploration, drilling, Production, marketing and sale of Oil or Gas Produced from the Leased Premises, including the right to construct and maintain all works, buildings, plants, waterways, roads, communication lines, gathering lines, pipelines, reservoirs, tanks, pumping stations or other necessary structures (collectively and individually "Facilities").

These use and occupancy rights are not self-executing and Lessee must coordinate with Lessor, as follows:

- A. At least sixty (60) days prior to conducting any surface disturbing operations Lessee must submit a complete and correct plan that describes and depicts the proposed construction or installation of any Facilities. Lessor may require Lessee to amend such construction or installation plans subject to any related and approved permit or order issued by the Commission at Lessor's discretion.
- B. Lessee must satisfy all requirements of I.C. §§ 47-317 and 47-319 and corresponding Rules of the Commission, as amended.
- C. Where Lessor is the surface estate owner for all or part of the Leased Premises, and after receiving Lessee's plan for proposed construction or installation of Facilities, Lessor may require the Parties to enter into a surface use lease, easement, or right-of-way agreement, which may include separate rentals, bonds, and conditions.
- D. Within sixty (60) days of completion of construction or installation of any Facilities, Lessee must provide Lessor with an as-built survey of the project.
- E. Lessee must not use the Leased Premises for Exploration or Production of Oil or Gas from lands other than the Leased Premises, without prior written approval by Lessor, which may include separate rentals, bonds, and conditions.

2.2.2. Ingress and Egress. Lessee will have the right of ingress and egress at all times during the term of this Lease.

2.2.3. Non-Exclusive Use. This Lease is subject to all leases, easements, and other agreements related to the Leased Premises that were issued by Lessor prior to this Lease. Lessee's operation must not unreasonably interfere with operations under any lease, license, claim, permit or other authorized, lawful use of the Leased Premises.

2.2.4. Surface Estate. In the event that Lessor is not the surface landowner of all or part of the Leased Premises, Lessee's Exploration, drilling, Production, transportation, refining, and marketing operations, or construction of Facilities allowed under this Lease will also be subject to I.C. § 47-334, IDAPA 20.07.02.110 and IDAPA 20.07.02.510, as amended.

2.3. Rights Reserved to Lessor.

- 2.3.1. *Rights not expressly granted.*** Lessor reserves all rights and privileges of every kind and nature, except as specifically granted in this Lease.
- 2.3.2. *Other leases.*** Lessor reserves the right to lease the Leased Premises for grazing, agricultural or other uses of State Lands leased under this Lease. All lessees have the right of reasonable ingress and egress at all times during the Lease term(s).
- 2.3.3. *Disposal of leased lands.*** Lessor reserves the right to sell or otherwise dispose of the surface of the Lease Premises; provided that any sale of surface rights made subsequent to the execution of this Lease will be subject to all terms and provisions of this Lease.
- 2.3.4. *Rights of way and easements.*** Lessor reserves the right to establish rights-of-way and easements upon, through, and across the Leased Premises, under terms and conditions that will not unreasonably interfere with operations under this Lease, for roads, pipelines, electric transmission lines, transportation and utility corridors, and any other purposes deemed reasonably necessary by Lessor.

3. TERM OF LEASE. The term of this Lease is for a period of ten (10) years, beginning on the 1st day of November, 2022 ("**Effective Date**") and ending on the 31st day of October, 2032 ("**Lease Term**"), and as long after the Lease Term as Oil or Gas are Produced in Paying Quantities, or for so long after achieving Production in Paying Quantities as Lessee continues in good faith to conduct Diligent and Continuous Drilling Operations on the Leased Premises.

- 3.1. Diligent Exploration Required; Prudent Operator.** Lessee must perform Diligent Exploration on the Leased Premises during the first thirty-six (36) months of the Lease Term. "**Diligent Exploration**" means that Lessee will undertake continuing efforts as a reasonably prudent operator would toward achieving Production in Paying Quantities from the Leased Premises, including performing geological or geophysical surveys and the drilling of a test well or wells. After discovery of Oil or Gas, and subject to the rights of relinquishment or termination under this Lease, Lessee will conduct drilling and Production operations as a prudent operator in accordance with standard industry methods and practices, having due regard for the prevention of waste of Oil and Gas; the protection of Lessor's interest with respect to the Leased Premises, and the Production of Oil and Gas from the Leased Premises; the preservation and conservation of the property and productive strata therein for future operations; the health and safety of workers and employees; and such other practices that are recognized within the industry.
- 3.2. Diligent Drilling.** Following Lessee's Diligent Exploration, Lessee must engage in Diligent and Continuous Drilling Operations during the remaining Lease Term or until Production in Paying Quantities is achieved. "**Diligent and Continuous Drilling Operations**" means no delay or cessation of drilling for a period greater than one hundred twenty (120) calendar days, unless extended in writing by Lessor. Lessor must receive a written request for an extension at least ten (10) business days prior to the termination of the one hundred twenty (120) day period. Diligent and Continuous Drilling Operations must be calculated to advance Production of Oil and Gas in Paying Quantities from the Leased Premises.
- 3.3. Notification at End of Lease Period.** Lessee must notify Lessor in writing prior to the end of the final year of the Lease Term that either Diligent and Continuous Drilling Operations or Reworking Operations have commenced and will extend beyond the

expiration of the Lease Term. Under such circumstances, Lessee must pay rental to Lessor as provided below.

3.4. Inactive Wells. During the Lease Term, Lessor shall declare a well inactive after twenty-four (24) continuous months of inactivity. The Lease will then automatically terminate at its next anniversary date unless Lessor determines, in writing, that such cessation of Production is justified, or the well meets the requirements of a Shut-In Well and has been granted a Suspension of Production under Section 3.5.

3.5. Suspension of Production. If Lessee has drilled a well on the Leased Premises that is capable of Production in Paying Quantities, Lessor may, at Lessor's discretion, grant one (1) Suspension of Production not to exceed one (1) year.

3.5.1. Lessee must submit a written application for suspension of production. Lessee must timely submit a written application for a Suspension of Production to Lessor. Such application must show that Lessee is:

- (1) unable to market Oil or Gas from a well on the Leased Premises that is capable of Production in Paying Quantities due to either: (a) a lack of suitable Production facilities; or (b) a suitable market for the Oil or Gas; and
- (2) that such conditions are outside the reasonable control of Lessee; and
- (3) that the Lease is not being otherwise maintained in force and effect.

3.5.2. Shut-In Well Payment. If a well is a Shut-In Well and Lessor approves the application(s) for a suspension of production or continuation of that Suspension of Production, Lessee must pay a shut-in well payment in the amount equal to double the annual rental. Lessee must pay the total shut-in well payment within thirty (30) calendar days of Lessor's approval of any application.

3.6. Termination. Termination of this Lease may occur as provided for in this Lease, including those reasons and circumstances stated herein.

4. RATE OF RENTAL; INCREASE AND TERMS

4.1. Rate. Lessee must pay to Lessor an annual rental of \$3.00 per acre, for 53.61 acres, at the minimum annual rental of two hundred fifty dollars (\$250.00). Each annual rental must be paid to Lessor, in advance, on or before each year's Effective Date.

4.2. First Advance Annual Rental Amount. Lessee will have five (5) business days after close of auction to pay the first advance annual rental, totaling the sum of Lessee's winning bid, plus the annual rental amount, plus the nomination fee prescribed by IDL (if not previously paid by Lessee). Failure of Lessee to pay the first advance annual rental within five (5) business days will be a breach of the Lease by Lessee, and Lessor may pursue any action or remedy at law or in equity against Lessee.

4.3. Notification at End of Lease Period. If Lessee notifies Lessor that Diligent and Continuous Drilling Operations or Reworking Operations have commenced and will extend beyond the Lease Term, the total of all annual rental(s) for each anticipated additional year must be paid to Lessor, in advance, on or before the termination of the Lease Term. Such payment by Lessee will entitle Lessee to hold the Lease only so long as Diligent and Continuous Drilling Operations or Reworking Operations are pursued. After such

operations are concluded, this Lease will continue only if Lessee achieves Production in Paying Quantities.

- 4.4. **No Refund.** Under no circumstances will Lessor refund to Lessee any amount or portion of unused annual rental.

5. **ROYALTY RATES AND TERMS**

- 5.1. **Rate.** Lessee must pay to Lessor a Royalty rate of twelve and one-half percent (12½ %) of Lessee's Gross Proceeds from Lessee's sale of the Gross Production of Oil and Gas Produced from the Leased Premises. "**Gross Proceeds**" means the total monies and other consideration, including bonuses, premiums or allowances, or Settlements (as defined in provision 5.2.3) received, or to be received, by Lessee for Oil or Gas Produced from the Leased Premises as a result of an Arm's-Length Transaction.

5.2. **Not Reduced by Lessee's Costs Exception, Royalty in Kind.**

- 5.2.1. **Royalty in money.** Where Royalties are paid in money, post-Production costs including for marketing, transporting and processing the Oil or Gas Produced will be borne entirely by Lessee, and such costs must not reduce the Lessor's Royalty directly or indirectly.

- 5.2.2. **Royalty in kind.** If Lessor elects to take Royalty in kind, Lessor will reimburse Lessee for reasonable and related additional storage and transportation costs, after Lessee provides written proof of such costs.

- 5.2.3. **Royalty on contract settlements.** Lessee must pay to Lessor twelve and one-half per cent (12½ %) of all monetary settlements or payments to Lessee from any person, vendor or purchaser related to Oil or Gas Produced from the Leased Premises, including "take or pay" settlements, "buy-down" payments, "buy out" payments, judicial or arbitration awards, insurance payments, dispute settlements, or any other benefit of value received by Lessee, or any parent company or subsidiary of Lessee, as consideration for Oil or Gas marketing, transporting, processing, or sales ("**Settlements**").

- 5.3. **Due on All Production, Exceptions.** Royalty is due on the Gross Proceeds from every Arm's-Length Transaction and all Settlements for all Oil and Gas Produced from the Leased Premises except that Oil or Gas consumed for the direct operation of the producing well and that Oil or Gas lost through no fault of Lessee. All Production volumes must be reported in accordance with provisions 5.4 and 5.6 of this Lease.

5.4. **Measurement, Metering, Separation, Commingling.**

- 5.4.1. **Measurement of gross production.** Lessee must meter, gauge, measure and correct for temperature, all Oil and Gas Produced from the Leased Premises in conformance with the methods and time intervals accepted as standard industry practice by the American Petroleum Institute, and as otherwise prescribed by the Rules of the Commission and codified in I.C. § 47-322. Lessee agrees that all Oil and Gas Produced from the Leased Premises will be measured separately before any Oil or Gas leave the Leased Premises.

- 5.4.2. **Metering devices compliant with most current industry standard.** All measuring devices must be tamper-proof. Lessee must comply with all applicable

American Gas Association Standards and American Petroleum Institute Manual of Petroleum Measurement Standards for installation, use and operation of all metering systems, including measurement devices, tanks or other storage receptacles, and pipelines. In the event the standards conflict, the most current American Petroleum Institute Standard must be applied. Each meter must be properly constructed, maintained, repaired, calibrated, and operated to continually and accurately register the quantity of Oil or Gas Produced from the well, including at all custody transfer meters and allocation meters used in the allocation of custody transfer volumes, and to accurately report sample handling, sample testing, and allocation of lease fuel, flared gas volumes, vented volumes, or any other lease use.

5.4.3. Separation. Lessee agrees that before any Oil or Gas Produced from the Leased Premises is sold, transferred, surface commingled with the production from any other lease tract or pooled unit, or used in a processing plant, all Oil and Gas will be run, free of cost to Lessor, through a gravity-based oil and gas separator of conventional type and of adequate size and efficiency such that all crude oil and Condensate that is recoverable from the gas by such means shall be recovered. Upon written consent of Lessor, Lessee may apply other forms of separation equipment that are at least as efficient as a gravity-based separator upon such terms and conditions as prescribed by Lessor. Upon written consent of Lessor, the requirement that Oil and Gas from the Leased Premises be run through a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor. Lessee must request and obtain a waiver in writing from Lessor before the installation or use of any flow meters, including full well stream, liquid-rich gas, or multiphase flow meters that measure any Production on or from the Leased Premises.

5.4.4. Commingling prohibited. Lessee must not, prior to metering, commingle production from two (2) or more wells. After metering and measurements, but before commingling, Lessee must obtain prior written permission from Lessor to commingle Oil or Gas Produced from the Leased Premises, whether or not pooled or unitized with any production from any other private, federal, or other state lease; and whether using or planning to use a common manifold or separator, a common storage receptacle, a common gathering system or pipeline, or an off-lease gas supply to inject gas for lift purposes into any Oil or Gas producing formation in the Leased Premises. These requirements are in addition to, and separate from, commingling regulations of the Commission or any federal agency.

5.5. Payment and Reporting. All Royalty owed to Lessor must be paid in the following manner:

5.5.1. Royalty on oil. Payment of Royalty on Production of oil products must be received by Lessor on or before the sixty-fifth (65th) calendar day after the month of Production.

5.5.2. Royalty on gas and natural gas plant liquids. Payment of Royalty on Production of gas and Natural Gas Plant Liquid products must be received by Lessor on or before ninety-fifth (95th) calendar day after the month of Production.

- 5.5.3. Royalty report.** All Royalty payments, whether in money or in kind, must be reported by Lessee on the form prepared by IDL, as may be amended, which will include: (1) the gross amount of all Oil and Gas Produced; (2) the disposition of all Oil and Gas Produced; and (3) the Market Value of all Oil and Gas Produced.
- 5.5.4. Records.** Lessee must maintain, and make available to Lessor upon request, copies of all documents, records and reports regarding or confirming the Gross Production, disposition and Market Value, including gas meter readings, pipeline receipts, gas line receipts, other checks or memoranda of any amount Produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records that Lessor may need to verify the Gross Production, disposition, or Market Value of Oil and Gas Produced.
- 5.5.5. Check stub.** Each Royalty payment must be accompanied by a check stub that includes all information required by I.C. § 47-332; a schedule, summary or other remittance advice showing this Lease number; and the amount of Royalty being paid on this Lease.
- 5.6. Overriding Royalty; Lessee's Obligation, Violation.** Subject to Section 13 of this Lease, any assignment of overriding royalty without a working interest made directly by Lessee, from Lessee's working interest, and not included with an assignment of this Lease, must be filed with IDL, along with the processing fee of \$100.00 per document, within ninety (90) calendar days from the date of execution of the valid assignment.
- 5.6.1.** It is Lessee's responsibility, and not Lessor's or IDL's responsibility, to process and administer any overriding royalty.
- 5.6.2.** Any assignment that creates an overriding royalty that exceeds the Royalty payable to Lessor by greater than five percent (5%), will be deemed a violation of this Lease, unless that assignment expressly provides that the obligation of Lessee, to pay the excess overriding royalty must be suspended when the average Production of oil per well per day, averaged on a monthly basis, is fifteen (15) barrels or less at sixty (60) oF at atmospheric pressure; or when the average Production of gas per day, averaged on a monthly basis, is 60,000 cubic feet (1,700 m³) or less at fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and the standard temperature base of sixty (60) oF.
- 5.6.3.** A reservation or assignment of an overriding royalty will not relieve Lessee of any of Lessee's obligations for payment of Royalties to Lessor.
- 5.6.4.** Any reservation or assignment of overriding royalty by Lessee must terminate upon the termination of this Lease.
- 5.7. Duty to Market.** Lessee must exercise due diligence and use all efforts of a reasonably prudent operator to Produce all Oil and Gas and market all Oil and Gas Produced in order to obtain the best Market Value for the Oil and Gas Produced.
- 6. BOND REQUIREMENTS.**
- 6.1. Prior to Motorized Exploration.** Prior to entry on the Leased Premises with motorized exploration equipment, Lessee must submit to Lessor a corporate surety bond or collateral bond in the amount of one thousand dollars (\$1,000) in favor of the State of Idaho and conditioned on the payment of all damages to the surface and improvements thereon that

result from Lessee's operations, regardless of whether any lands in the Leased Premises have been sold or leased for any other purpose by Lessor. This bond will be released by Lessor upon Lessee providing a sufficient bond pursuant to provision 6.2 of this Lease.

- 6.2. Prior to Drilling.** Prior to entry on the Leased Premises with drilling equipment or prior to commencing any construction in preparation for drilling, Lessee must submit to Lessor a corporate surety bond or collateral bond in the amount of six thousand dollars (\$6,000) in favor of the State of Idaho and conditioned upon compliance with this Lease and all applicable law and agency rules; the removal of all equipment upon termination of this Lease; the payment of all damages to the land surface and all improvements thereon, including crops, which result from Lessee's operation, regardless of whether any lands in the Leased Premises have been sold or leased for any other purpose by Lessor; and payment of all debts to the State of Idaho or any of its agencies, related to this Lease. This bond is in addition to the drilling bond required under the Rules of the Commission.
 - 6.3. Statewide Bond.** In lieu of the aforementioned bonds in sections 6.1 and 6.2, Lessee may furnish a good and sufficient "statewide" bond conditioned as above in the amount of fifty thousand dollars (\$50,000) in favor of the State of Idaho to cover all Lessee's leases and operations carried on.
 - 6.4. Period of Liability.** Except as otherwise provided in this Lease, the period of liability of any bond must not terminate until all obligations under this Lease, and all applicable law and agency rules have been fulfilled and the bond is released in writing by Lessor. All bonds must contain automatic renew provisions.
 - 6.5. Bond Cancellation.** Any surety company or indemnitor canceling a bond must provide Lessor with no less than sixty calendar-days' (60) notice prior to cancellation. Lessor will not release a surety or indemnitor from liability under existing bonds until Lessee has submitted to Lessor an acceptable replacement bond. Such replacement bond must cover any liability accrued against the bonded principal covered by the previous bond.
 - 6.6. Surety License.** If the license to do business in Idaho of any surety is suspended or revoked, Lessee must find a substitute for such surety within thirty (30) calendar days after notice by Lessor. The substitute surety must be licensed to do business in Idaho. If Lessee fails to secure a substitute surety, Lessee must cease all operations pursuant to this Lease.
 - 6.7. Form.** All bonds furnished must be on a form acceptable to Lessor, or on the IDL form as may be amended.
 - 6.8. Other Agencies.** Lessee must comply with all bonding requirements of the Commission, Idaho Department of Water Resources or other agencies of the State of Idaho as may be required under any applicable law or regulation.
- 7. PAYMENT OF TAXES.** Lessee must pay all taxes and assessments of any kind lawfully assessed and levied against Lessee's interest or operations when due.

8. OPERATIONS

8.1. Unitization or Pooling Plans of Development or Operation. For the purpose of properly conserving the natural resources of any Oil and Gas pool, field or like area, Lessee may, upon written consent by Lessor, and in compliance with IDAPA 20.03.16.090, the Rules of the Commission, and other applicable laws and agency rules, commit the Leased Premises to a unit, pooling or other plan of development or operation with other state, federal, Indian, or privately-owned lands. If Lessor agrees to the Leased Premises being included in a pooling or unitization agreement, the terms of this Lease may be modified to conform to that agreement; except that Lessee must still pay Lessor all annual rentals, including for those lands not within the plan area, and all Royalties due, as provided in this Lease and with allocation on a surface acreage basis. Operations for drilling on or Production of Oil or Gas from any part of the pooled unit will be considered as operations for drilling on or Production of Oil or Gas from the Leased Premises.

8.2. Surface Obligations and Operations.

8.2.1. Prevention of Injury or damage. Lessee and Lessee's agents, employees, contractors and assignees must take all reasonable precautions to prevent injury or damage to persons, real property, and personal property.

8.2.1.1. Lessee and Lessee's agents, employees, contractors and assignees must take all reasonable precautions to prevent waste or damage to the Oil or Gas and other surface and subsurface natural resources and the surrounding environment, including to vegetation, livestock fish and wildlife and their natural habitat, streams, rivers, lakes, timber, forest and agricultural resources.

8.2.1.2. Lessee and Lessee's agents, employees, contractors and assignees must compensate Lessor, other surface lessees, grantees or contract purchasers for any damage resulting from Lessee's operations or any damage resulting from Lessee's failure to take all reasonable precautions to prevent injury or damage to persons, real and personal property and to prevent waste or damage to the Oil or Gas and other surface and subsurface natural resources and the surrounding environment, including to vegetation, livestock fish and wildlife and their natural habitat, streams, rivers, lakes, timber, forest and agricultural resources.

8.2.1.3. Lessee and Lessee's agents, employees, contractors and assignees must comply with all federal, state and local environmental laws, rules and regulations as they pertain to Lessee's operation.

8.2.2. Blowout or spill. Lessee must report to Lessor any blowout, fire, uncontrolled venting, or spill above or within the Leased Premises within twenty-four (24) hours and must confirm this report in writing within ten (10) calendar days.

8.2.3. Fences. Lessee shall not fence any watering place upon the Leased Premises, without obtaining prior written consent of Lessor.

8.2.4. Timber removal. Lessee will not unreasonably interfere with the removal of timber purchased prior or subsequent to the issuance of this Lease. Lessee may remove

any timber required for ingress or egress, or necessary for Operations. Lessee must pay IDL for any timber cut or removed on a current stumpage price basis as determined by Lessor.

- 8.2.5. Potable water discovery.** Potable water is not a mineral conveyed under this Lease. If Lessee finds only potable water in any well drilled for Exploration or to Produce Oil and Gas, and the water is of such quality and quantity as to be valuable and usable for agricultural, domestic or other purposes, Lessor may acquire the well with whatever casing is installed in the well at the fair market value of the casing and upon the assumption by Lessor's surface lessee, grantee, or contract purchaser of all future liabilities and responsibilities for the well, with approval of the Commission, and upon the condition that Lessor's surface lessee, grantee, or contract purchaser will also comply with applicable laws and rules of IDWR.
- 8.2.6. Reclamation.** Lessee must reclaim all State Lands disturbed by Lessee's Exploration or operations to Produce Oil and Gas in compliance with the Rules of the Commission, including at least to conditions consistent with previous use by the surface owner, including segregating and protecting topsoil and regrading to approximate previous contour. If substantial removal of topsoil has occurred, as determined by Lessor, Lessee must replace the topsoil and revegetate as necessary to minimize erosion.
- 8.2.7. Noxious weed control.** Lessee must control noxious weeds upon the Leased Premises.
- 8.2.8. Waste.** Lessee must provide and maintain suitable containers for the disposal of garbage and human excreta; and must ensure the disposal of that waste at government-approved disposal sites. Waste petroleum products must not be drained, poured, stacked, stored, or otherwise disposed of on the Leased Premises, on any State Lands, or at any non-government-approved disposal site. Lessee must capture and store waste petroleum products, waste water, filter socks, and any other waste by-product in suitable containers and ensure the disposal of that waste at government-approved disposal sites. Lessee must comply with all applicable federal, state and local statutes, regulations and ordinances, whether now in effect or enacted in the future, including without limitation the rules and regulations relating to safety, public health, pollution control, management of hazardous substances, cultural resources and environmental protection.
- 8.2.9. Fire prevention.** Lessee must create and implement a fire prevention and emergency response plan that will remain in effect during the entirety of Lessee's operations and reclamation. The written plan must be easily accessible to all workers, whether Lessee's employees or contractors, on the Leased Premises, and must include the following:
- 8.2.9.1.** Local emergency contact numbers and information;
 - 8.2.9.2.** Easily accessible firefighting equipment, including sufficient quantities of shovels and operable fire extinguishers;

8.2.9.3. Fire prevention and safety procedures, including evacuation routes and procedures, designated safety meeting place(s), and emergency shutdown procedures; and

8.2.9.4. Evidence of coordination with local municipalities, including nearby cities, counties, and surface landowners; IDL; rangeland fire protection association (if any); and federal land agencies.

8.2.10. Location surveys. If Lessee completes a well, and if the mineral estate of land title is disputed by Lessor or if location of the producing interval is disputed by Lessor, then Lessee must fund appropriate location surveys, including a Legal Boundary Land Survey and a Producing Interval Location Survey.

8.2.10.1. A Legal Boundary Land Survey must determine the location and acreage encompassed by the spacing or pooling unit and the Leased Premises acreage within that unit. The Legal Boundary Land Survey must be conducted by an Idaho-licensed Professional Land Surveyor acceptable to Lessor, and must be prepared pursuant to survey requirements provided by Lessor. Any surveyor must conduct surveys in accordance with all applicable jurisdictional requirements and professional standards of practice. Boundary lines and corners of any portion of the Leased Premises being surveyed must be established or retraced in accordance with appropriate boundary law principles governed by the set of facts and evidence found in the course of performing the research and survey. All data gathered by Lessee must be presented to Lessor in a format compatible to Lessor's software.

8.2.10.2. A Producing Interval Location Survey must determine the location of the producing interval of the well borehole. Lessee must determine the three-dimensional coordinate location as follows:

8.2.10.2.1. The top of the producing interval by its magnetic azimuth recorded in degrees of latitude, degrees of longitude, and true vertical depth in feet; and

8.2.10.2.2. The bottom of the producing interval by its magnetic azimuth recorded in degrees of latitude, degrees of longitude, and true vertical depth in feet.

The location data must be measured via borehole logging tools either in drill string assembly (e.g. measured while drilling) or lowered into wellbore after the well is drilled (e.g. gyroscopic survey), or by another method approved by Lessor. Lessee must provide to Lessor the wellbore's bottom hole location and producing interval location. This information must be projected onto a surface map that also shows the well surface location, the Leased Premises boundaries, and distances to boundaries. At Lessor's discretion, Lessee must provide additional directional surveys, accuracy requirements, and reported data.

8.3. Subsurface Operations; Information, Representatives.

8.3.1. Best practices. Lessee is, at all times, obligated to act as a reasonably prudent operator with the duties to explore for, drill for, Produce, operate, develop, market,

and sell Oil or Gas from the Leased Premises, including to exercise due diligence in drilling any additional wells that may be necessary to fully develop the Leased Premises. Lessee must conform to the best practices and engineering principles in use in the oil and gas industry and improve contemporaneously with improvements to those best practices and principles.

- 8.3.2. Conservation.** Lessee must use all reasonable means to prevent the underground or above-ground waste of Oil or Gas and to avoid the physical waste, flaring or venting of any gas Produced from the Leased Premises.
- 8.3.3. Loss through waste or failure to produce.** As provided in the Rules, Lessor will determine the value of Production accruing to Lessor where there is loss through waste or failure to drill and Produce protection wells on the Leased Premises and the compensation due to Lessor as reimbursement for such loss. Payment for such loss must be made within sixty (60) calendar days after the date of billing. The value of Production resulting from a loss through waste or failure to protect a well will be calculated at ninety percent (90%) of the last year's actual Production Royalty or a minimum royalty of five dollars (\$5.00) per acre, whichever is greater.
- 8.3.4. Diligence, offset wells.** Lessee must diligently drill and Produce from any wells that are necessary to protect Lessor from loss by reason of drainage from production on adjacent or contiguous properties. A rebuttable presumption will exist that any production of Oil or Gas from any well located in any quarter-quarter section that is not State Lands and is immediately adjacent to any part of the Leased Premises will result in offset drainage. Upon the written consent of Lessor, instead of drilling an additional well, Lessee will compensate Lessor for Lessee's failure to drill and Produce from any offset well. All wells under this Lease must be drilled, maintained and operated to Produce the maximum amount of Oil and Gas that can be Produced without injury to the formation of the well.
- 8.3.5. Well logs and progress reports.** Lessee must keep a correct and complete log of each well drilled under this Lease. Every log must show by name or description the stratigraphic zones passed through; the producing stratigraphic zones; the depth at which each stratigraphic zone was reached; the number of feet of each size casing set in each well, and where each is set; the total depth of each well drilled; and the location of any buried pipe. Lessee must timely provide, or cause to be provided, to Lessor a complete and correct copy of each and every report required to be filed with IDL under I.C. § 47-324.
- 8.3.6. Valuable by-products.** Where Production, use, refining or conversion of Oil or Gas under this Lease, is susceptible of producing any valuable non-petroleum hydrocarbon by-product, including commercially demineralized water, carbon dioxide, carbon black, helium, hydrogen, sulphur, or coal, Lessee must submit to Lessor all available information concerning all potential by-product(s). IDL may conduct tests or studies at its expense and may issue reasonable orders to produce and preserve such by-product(s). Such valuable non-petroleum hydrocarbon by-products must, in Lessor's discretion, be produced and sold under a separate lease as agreed between Lessor and Lessee, and do not constitute a mineral conveyed under this Lease.

8.3.7. Geothermal information. When drilling in a known geothermal resources area, Lessee must comply with all rules of IDWR. Prior to abandoning or decommissioning any well, Lessee must submit to Lessor all available information concerning geothermal resource potential. IDL may conduct related tests or studies at its expense prior to the abandonment of any well. Lessee must promptly and correctly plug and abandon any well on the Leased Premises that is not used or useful, in accordance with the Rules, the Rules of the Commission, or the rules of IDWR.

8.4. Designation of Operator. In all cases where operations are not conducted by Lessee, but are conducted under authority of an approved operating agreement, assignment, or other written arrangement, a written designation of operator must be submitted to Lessor prior to commencement of operations. Such a designation must authorize the operator, or the operator's local representative, to act for Lessee and to sign any papers or reports required under the Rules. Lessee must immediately report in writing to Lessor all changes of address and termination of the authority of the operator. Lessee's approved and designated operator will be subject to all the terms and obligations of this Lease.

8.5. Legal Representative. Lessee hereby designates Mike Christian (1487 S. David Lane, Boise, Idaho 83705 – 208-433-3913) as its representative in Idaho empowered to receive service of process and notices and orders issued pursuant to the Rules. Any change to this designation by Lessee must be provided as required under provision 28 of this Lease.

8.6. Water Rights. No water rights developed or obtained by Lessee through the discovery of potable water in conjunction with operations under this Lease may be sold, assigned or otherwise transferred without written approval of Lessor. Upon termination for this Lease for any reason, Lessee must take all actions required to assign to Lessor all water rights, including applications and permits, subject to applicable laws regarding the transfer or assignments of permits to appropriate water.

9. COMPLIANCE WITH LAWS AND RULES. Lessee's use, activities and Operations on the Leased Premises must be conducted in accordance with the Act, the Rules, the Rules of the Commission, and the rules of the Idaho Department of Water Resources, which provisions are hereby made a part of this Lease to the same extent as if stated in full in this Lease. Lessee must also comply with all other applicable federal, state and local laws, and agency rules and regulations. The violation of any applicable law, rule or regulation will be a breach of this Lease and may result in Lessor's termination of this Lease.

10. AUTHORIZED ACTIONS BY LESSOR; INSPECTION; AUDIT. Lessor or Lessor's authorized employee or agent will be permitted to take the following actions:

10.1. At all reasonable times to go in and upon the Leased Premises and Lessee's improvements or premises to inspect the operations and the products obtained, and to post any lawful notice.

10.2. At any time require that reasonable tests, surveys, samples, etc., be taken in accordance with Lessor's instruction, without cost to the State of Idaho, to assure Lessee's compliance with the Rules, Rules of the Commission, or other agency rules.

10.3. At any reasonable time inspect and copy, at IDL's expense, all of Lessee's books and records pertaining to this Lease. Lessee expressly acknowledges and agrees that it will maintain a complete and correct file of all records, data, documents, communications, and

other written materials which pertain to this Lease, including the Production, metering, refining, marketing, transportation, or sale of Oil or Gas from the Leased Premises. Lessee must maintain that file for at least five (5) years after termination of this Lease. Lessee agrees to permit Lessor or any duly authorized agent to audit, inspect, examine, excerpt, copy or transcribe Lessee's file to ensure compliance with the terms of this Lease or to evaluate Lessee's performance under this Lease.

- 10.4.** Upon failure of Lessee to take timely, corrective measures as ordered by Lessor, the Board or the Commission, Lessor may order Lessee's operations to immediately cease if Lessor determines they are unsafe or are causing or can cause waste or pollution to oil, gas, or other resources. Lessor may terminate this Lease in accordance with the terms of this Lease. Lessor may cause Lessee to repair or correct, at Lessee's expense and forfeiture of bond, any damage or unsafe conditions.
- 10.5.** If notice of an audit or investigation pursuant to this Lease, the Rules, or the Rules of the Commission has been provided to Lessee, all records must be maintained until Lessor releases Lessee and the record holder of the obligation to maintain such records.

11. INSURANCE

- 11.1. Commercial General Liability.** Prior to entry upon the Leased Premises for any reason other than casual, non-motorized exploration or inspection, as allowed by law, Lessee must secure, and provide Lessor a complete copy of, commercial general liability insurance on an occurrence coverage form. Lessee must maintain said insurance during the Lease Term and any Term Extension. The limits of liability must not be less than:

- 11.1.1.** \$1,000,000 per occurrence; and

- 11.1.2.** \$2,000,000.00 general aggregate; and

- 11.1.3.** Must not contain exclusions for explosion, fire, blowout, oil spill, collapse, or underground property hazards.

- 11.2. Additional Insured Endorsement.**

- 11.2.1.** All insurance, except for Workers Compensation, shall be endorsed to the name of the State of Idaho, the State Board of Land Commissioners, and the Idaho Department of Lands.

- 11.2.2.** If the land surface and improvements thereon covered by the Lease are not owned by the State of Idaho, or have been sold or leased by the State of Idaho, the owner or lessee of the surface rights and improvements must be an additional named insured.

- 11.2.3.** None of the foregoing additional insureds or endorsed parties will be liable for the payment of premiums or assessments of the policy(ies).

- 11.3. Subject to Approval.** The required insurance is subject to the approval by Lessor, but any acceptance of insurance by Lessor will in no way limit or relieve Lessee of the duties and responsibilities stipulated in the Lease.

- 11.4. Primary Basis.** Lessee's insurance must be issued on a primary basis, non-contributory with any other insurance coverages or self-insurance carried by the State of Idaho.

- 11.5. Lessee's Expense; Insurer's Qualifications.** Lessee will maintain at its sole expense the required insurance, purchased from an insurer licensed and authorized to transact business in the State of Idaho. All insurance shall be with insurers rated a- and AMB-1, or better, in the latest AM Bests Rating Guide.
- 11.6. Advance Notice.** Lessee must provide a minimum of thirty (30) calendar days' advance written notice of cancellation, material change, or nonrenewal of policies required under the Lease. If the insurance carrier refuses to provide notice to Lessor, Lessee must notify Lessor in writing of any cancellation or reduction in coverage or limits of any insurance within seven (7) calendar days of receipt of insurer's notification to that effect.

12. LESSEE'S REPRESENTATIONS.

- 12.1. Qualified Person.** Lessee warrants that it is not in default of any contract with the State of Idaho or any department or agency of the State of Idaho. Lessee further warrants that it is not a member of the Board or employee of IDL.
- 12.2. Authority; Indemnification of Authority.** The signatory for Lessee represents and warrants that such signatory possesses the authority and has been authorized by Lessee to enter into this Lease. In the event any other person asserts any interest in or the right to pursue any term or condition of this Lease, Lessee will promptly and fully defend and indemnify Lessor against any and all such claims. The signatory, if signing on behalf of another person, must submit a power of attorney to Lessor that outlines the signatory's delegated authority.

13. ASSIGNMENT AND SUBLEASE.

- 13.1. Prior Written Approval; Effective Date.** This Lease must not be assigned or transferred except upon the written consent of the Board and the Director. No valid assignment will take effect until the first day of the month following its approval. Any assignment, sublease or other conveyance made without prior written consent of Lessor will be void and have no legal effect unless and until approved in writing by Lessor. Exercise of any right with respect to the Leased Premises in violation of this provision will constitute default under this Lease.
- 13.2. Qualified Assignee.** This Lease may only be assigned to a person qualified to hold a state lease issued by the State of Idaho.
- 13.3. Responsibilities.** The assignor and its surety must continue to comply with this Lease and all applicable laws and rules until the effective date of the assignment. After the effective date of the assignment, the assignee and its surety will be bound by this Lease and all applicable laws and rules to the same extent as if the assignee were the original lessee, irrespective of any conditions in the assignment to the contrary. The assignor-lessee will remain liable for rentals and Royalties due and damages accruing prior to the effective date of the assignment.
- 13.4. Form of Assignment.** An approved assignment must be a valid legal instrument, properly executed and acknowledged, stating the number of this Lease, a legal description of the land involved, the name and address of the assignee, the interest transferred and the consideration. A fully executed copy of the instrument of assignment must be filed with IDL along with the application of approval of an assignment, as required by the Rules, and the processing fees of \$100 per document. If an instrument of assignment conveys two or

more leases to one assignee, only one application for assignment must be filed, but the processing fee must be paid for each effected lease. If an instrument of assignment partitions the Leased Premises between two or more assignees, a separate application for assignment and filing fee must be filed for each assignee and for each lease assigned.

13.5. Partition of Leased Lands.

13.5.1. In the event an assignment partitions the Leased Premises between two (2) or more qualified people, neither the assigned nor the retained part created by the assignment may contain less than forty (40) acres or a government lot, whichever is less.

13.5.2. If an assignment partitions the Leased Premises between two (2) or more qualified people, the assignment must clearly segregate the assigned and retained portions of the leasehold.

13.6. Remainder of Lease Term. An assignment, or resulting segregated leases, will continue in full force and effect for the balance of the Lease Term and as may be further extended pursuant to this Lease or the Rules.

13.7. Denial. An application for approval of an assignment may be denied by Lessor if the Lessee or the assignee is delinquent in payment of rentals or Royalties, has otherwise violated applicable laws or rules, or would result in an overriding royalty not permitted by provision 5.7.

14. RELINQUISHMENT.

14.1. Procedure. Lessee may surrender the Leased Premises or any surveyed subdivision of the Leased Premises, by filing a written relinquishment with IDL. A partial relinquishment must not reduce the remaining acreage to less than forty (40) acres or a government lot, whichever is less.

14.2. Effective Date; Release. Lessee's relinquishment will take effect thirty (30) calendar days after it is received. After the written notice of relinquishment is received, Lessee will be relieved of liability under the Rules except for the continued obligation of Lessee and its surety to:

14.2.1. Make payment of all accrued rentals and royalties;

14.2.2. Place all wells on the land to be relinquished in condition for suspension of operations or abandonment;

14.2.3. Comply with all Rules of the Commission for plugging of abandoned wells;

14.2.4. Comply with all applicable laws and rules of IDWR; and

14.2.5. Reclaim the surface and natural resources in accordance with this Lease, the Rules, and Rules of the Commission.

14.3. Adjustment of Rental. In the event of a partial relinquishment of the Leased Premises, the subsequent advance annual rental(s) will be reduced proportionately, but not less than a minimum of two hundred fifty dollars (\$250.00).

15. TERMINATION.

15.1. For Cause; Opportunity to Cure. Lessor may terminate this Lease for any substantial violation of this Lease, the Rules, Rules of the Commission, any other applicable law or regulation, or upon failure by Lessee to exercise due diligence and care in the prosecution of Lessee's operations in accordance with this Lease. Termination will be effective ninety (90) calendar days after notice of the cause of termination has been given to Lessee, as required in provision 21.7, unless:

15.1.1. The cause of termination has been corrected; or

15.1.2. The cause of termination is one that cannot be corrected within the ninety (90) day notice period and Lessee has in good faith commenced within the notice period to correct the cause of termination and proceeds diligently to complete corrective action within a time period set by Lessor in writing. If sent by certified mail, such notice will be deemed served upon mailing.

15.2. For Cause; No Opportunity to Cure. Failure of Lessee to pay rentals on or before every due date will result in the immediate termination of this Lease without notice or opportunity to cure. Time is of the essence for payment of rentals and it is a material term of this Lease.

15.3. For Cause; Limited Opportunity to Cure. Failure of Lessee to pay Royalties on or before the due dates stated in provision 5.6, will result in the immediate termination of this Lease if, after receiving notice from Lessor and thirty (30) calendar days opportunity to cure, Lessee has not corrected the cause of termination. Time is of the essence for payment Royalties and it is a material term of this Lease.

15.4. Not for Cause. Termination of this Lease may occur as otherwise provided for in this Lease, including at the end of the Lease Term if there is no Production in Paying Quantities; upon abandonment; or at the end of the approved period of, or continuation of, Suspension of Production under provision 3.5.

15.5. Surrender After Termination. Upon termination of this Lease for any reason, Lessee must quietly and peaceably surrender possession of the Leased Premises to Lessor. Within ninety (90) calendar days of termination Lessee must remove from the Leased Premises all materials, tools, appliances, machinery, and structures. Any equipment subject to removal, but not removed, will be deemed abandoned and, at the option of Lessor, may become property of the State of Idaho; or Lessor may cause the equipment to be removed at Lessee's expense.

15.6. Lessee's Obligations Continue. Upon termination of this Lease for any reason, Lessee's obligation(s) under this Lease, the Rules, the Rules of the Commission, and any other law or agency rule that has accrued prior to the date of termination will continue in full force and effect.

15.7. All Rights Return to Lessor. Upon termination of this Lease for any reason, all rights granted to Lessee will return to Lessor.

16. IMPOSSIBILITY OF PERFORMANCE; EXCEPTION. Whenever, as a result of any act of God, or due to any law, order, or regulation of any governmental agency, it becomes impossible for Lessee to perform or to comply with any express or implied covenant of this Lease; or to conduct Diligent and Continuous Drilling Operations or Reworking Operations, or to Produce Oil or Gas as required under this

Lease; or to fulfill all obligations under any applicable statute or rule, Lessor, at Lessor's discretion, may by written order excuse Lessee from damages or forfeiture of this Lease, and Lessee's obligations under this Lease may be suspended and the Lease Term may be extended provided that Lessor finds that good cause exists. Except that Lessee's payment of rentals and Royalties due to Lessor may not be excused or suspended for any reason.

17. LEASEHOLD MORTGAGES

17.1. Lessee's Right to Mortgage. Upon Lessor's prior written consent, which consent will not be unreasonably conditioned, withheld or delayed, with Lessor using best efforts to respond to such consent request review within ten (10) business days, and provided Lessee is not in default under the Lease, Lessee may encumber or hypothecate its interest in the leasehold estate created by this Lease by one or more mortgage, deed of trust, collateral assignment, or security agreement in this Lease or the Facilities to a Lender, as defined below, or related to an approved assignment of Lessee's interest in this Lease together with an assignment of Lessee's interest in any Facilities (individually and collectively "Leasehold Mortgage" or "Mortgage"), and in connection with any secured or unsecured financing or tax equity investment with any financial institution, person, or other entity that, from time to time, provides secured financing or tax equity for, or otherwise encumbers all, or part, of Lessee's interest in this Lease or the Facilities with any security or collateral agent, indenture trustee, loan trustee or participating or syndicated lender involved in whole or in part in such financing, and their respective representatives, successors, or assigns (individually and collectively "Lender" or "Mortgagee").

17.1.1. No lender will have any rights or obligations under this Lease until such time as it acquires Lessee's interests subject to the lien of Lender's mortgage by foreclosure, deed in lieu of foreclosure, or otherwise assumes the obligations of Lessee directly, as allowed under this Lease.

17.1.2. No Mortgage shall be valid or enforceable until written consent of the same is provided.

17.1.3. Lease Terms. Any Leasehold Mortgage and all rights acquired thereunder shall be subject and subordinate to all rights and interests of Lessor under this Lease, and any Mortgages shall be subject to each and all of the covenants, conditions, and restrictions stated in this Lease. The length of any Leasehold Mortgage shall not exceed the Lease Term of this Lease. The encumbrance of this Lease through any Mortgage shall terminate if this Lease is terminated for any reason provided for in this Lease.

17.1.4. Notice to Lessor. Regardless of any other form of notice, actual or constructive, no Mortgagee of a Leasehold Mortgage on this Lease shall have the rights or benefits set forth in this section, nor shall any of the provisions of this section be binding upon Lessor, unless and until a complete and correct copy of the fully executed note, or other tax equity or lending agreement, and any assignment thereof, shall have been delivered to Lessor. Lessee shall promptly provide Lessor with a copy of any amendment, other modification, or supplement to such documents. In the event of a default on the Mortgage by Lessee, either or both Mortgagee and Lessee shall mail a copy of all related default notices to Lessor.

- 17.1.5. No Attachment to Fee Interest.** Every Mortgage shall contain a statement which disclaims any interest or lien against Lessor's fee interest in the Leased Premises and provides that Lessor shall have no liability whatsoever in connection with any such Mortgage, or the instruments or obligations secured thereby.
- 17.1.6. Modification.** Lessor and Lessee agree that, once all or any part of Lessee's interests in the Lease are mortgaged or assigned to a Lender, they will not modify this Lease without prior written consent of the Lender as set forth in this Lease. The Lender's consent will not be unreasonably conditioned, withheld or delayed, with the Lender using best efforts to respond to such consent request review within ten (10) business days.
- 17.1.7. Mortgage Assignment.** Any such Mortgage shall provide that, in the event of any assignment of the Mortgage, or in the event of a change of address of the interested party named in the Mortgage, notice of the new name and address shall be provided in writing to Lessor.
- 17.2. Mortgage Protection.** If any Mortgage is entered into by Lessee, then any Mortgagee will, for so long as its Mortgage is in existence and until the lien thereof has been extinguished, be entitled to the protections set forth in this section. Lessee will send written notice to Lessor of the name and address of any such Mortgagee or include such name and address in an estoppel certificate to be executed by Lessor. Failure of Lessee to give notice of any such Mortgagee will not invalidate such Mortgage.
- 17.3. Mortgagee's Right to Possession; Right to Acquire, and Right to Assign.** A Mortgagee will have the right, subject to timely payment of all Rents due pursuant to this Lease and to Lessor's consent, as applicable: (a) to assign its security interest; (b) to enforce its lien and acquire title to the leasehold estate by any lawful means; (c) to take possession of and operate Facilities or any portion thereof and to perform all obligations to be performed by Lessee hereunder, or to cause a receiver to be appointed to do so; and (d) to acquire the leasehold estate by foreclosure or by an assignment in lieu of foreclosure and thereafter to assign or transfer the leasehold estate to a third party. As applicable, Lessor's prior written consent will be required for the acquisition of the encumbered leasehold estate by a third party who is authorized to contract with the State of Idaho and acquires the same by foreclosure or assignment in lieu of foreclosure.
- 17.4. Notice of Default, Opportunity to Cure.** Lessor will use best efforts to contemporaneously deliver a copy of any Notice of Default to each Mortgagee for which Lessor has received advanced written notice of such Mortgagee's interest, concurrently with delivery of such Notice of Default to Lessee. Failure of Lessor to give any such notice to each Mortgagee will not invalidate the Notice of Default. Any best effort by Lessor to provide such notice shall not minimize or replace any separate obligation of Lessee to provide any Mortgagee with any notice including a Notice of Default issued by Lessor.
- 17.4.1. Mortgagee Composition.** To the extent that a Mortgagee may consist of more than one person or entities, notice from Lessor to any one will be deemed notice to all constituting the Mortgagee. If there are multiple people or entities constituting said Mortgagee, then Mortgagee may identify which one person or entity shall be provided any and all notices from Lessor for all constituting the Mortgagee.

17.4.2. Default Period. The Mortgagee will have the same period after receipt of the Notice of Default to remedy the default, or cause the same to be remedied, as is given to Lessee. In an event of default other than non-payment of Rents, and upon written notice of its election to cure, the Mortgagee will have an additional ninety (90) calendar days to cure the default. If Lessee or the Mortgagee has, within the applicable cure period, diligently and in good faith worked to correct the default, then Lessor shall extend the cure period for a length of time that Lessor believes to be reasonably necessary to complete the cure.

17.4.2.1. If the Mortgagee elects to substitute itself for Lessee and perform duties of the Lessee under this Lease for purposes of curing such defaults, Mortgagee must advise Lessor, in writing, of its election.

17.4.2.2. Lessor hereby consents to such substitution, agrees to accept such performance, and authorizes the Mortgagee (or its employees, agents, representatives, or contractors) to enter upon the Leased Premises to complete such performance with all the rights, privileges, and obligations of the Lessee, including identification of subcontractors and key employees. Lessor will not exercise its rights to terminate this Lease prior to the expiration of the applicable cure period or extension of a cure period.

17.4.3. Payment of Rents. Prior to any period of possession of the Leased Premises, the Mortgagee shall remit to Lessor all Rents due and owing. During any period of possession of the Leased Premises, and its corresponding rights, privileges and obligations, by a Mortgagee (or a receiver requested by such Mortgagee) and during the pendency of any foreclosure proceedings instituted by a Mortgagee, the Mortgagee shall pay or cause to be paid to Lessor all Rents including Royalty payments and all other monetary charges payable by Lessee under this Lease that have accrued and are unpaid at the beginning of said period and those accruing thereafter during said period. Following acquisition of Lessee's leasehold estate by the Mortgagee, or its assignee or designee as a result of either foreclosure or acceptance of an assignment in lieu of foreclosure, or by a purchaser at a foreclosure sale who is qualified to contract with the State of Idaho and perform under this Lease, this Lease will continue in full force and effect and the Mortgagee or party acquiring title to Lessee's leasehold estate will, as promptly as reasonably possible, commence the cure of all remaining defaults reasonably susceptible of being cured by the Mortgagee or party acquiring title hereunder, and thereafter will diligently process such cure to completion, whereupon such Events of Default will be deemed cured upon review and approval by Lessor.

17.4.4. Performance of Obligations. A Mortgagee who acquires Lessee's leasehold interest pursuant to foreclosure or assignment in lieu of foreclosure will be liable to perform the obligations of Lessee as established by this Lease so long as such Mortgagee has control or ownership of the leasehold estate, or control or possession of the Leased Premises.

17.4.5. Exception to Event of Default by Lessee's Bankruptcy or Insolvency. Neither the bankruptcy nor the insolvency of Lessee will be grounds for terminating this Lease as long as all obligations of Lessee under this Lease are performed by the Mortgagee.

- 17.4.6. Default Cured.** Subject to the provisions of this Lease that survive its termination, nothing in this section will be construed to extend this Lease beyond the Lease Term or to require a Mortgagee to continue foreclosure proceedings after every Event of Default has been cured. If every Event of Default is cured and the Mortgagee discontinues foreclosure proceedings, then this Lease will continue in full force and effect.
- 17.5. Refinancing.** Lessee may refinance a Mortgage periodically provided that all of the following conditions are met:
- 17.5.1.** The holder or Mortgagee of the new mortgage must be an institutional lender such as a bank, trust company, savings and loan association, insurance company, title insurance company, or other commercial business authorized and licensed to make mortgage loans in Idaho and in the county in which the Leased Premises are located;
- 17.5.2.** The new Mortgage given for refinancing shall comply with all provisions of this Lease;
- 17.5.3.** If the new Mortgage complies with the above-conditions, Lessee may execute, acknowledge, and deliver the new mortgage as a permitted Mortgage for the purpose of subjecting Lessee's respective interests in the Facilities and other Improvements to the lien thereof, and the new mortgage shall cover and be a lien on the Facilities or other Improvements, subject to the terms and conditions of this Lease.
- 17.6. Mortgagee's Consent to Amendment, Termination, or Surrender.** Notwithstanding any provision of this Lease to the contrary, so long as there exists an unpaid Mortgage that Lessor has written notice of, Lessor will not accept a voluntary surrender of the Leased Premises or any part thereof or a voluntary termination, or a voluntary release of this Lease from Lessee prior to expiration of the Lease Term without the prior written consent of the Mortgagee. This provision is for the express benefit of and will be enforceable by such Mortgagee.
- 17.7. No Waiver.** No payment made to Lessor by a Mortgagee will constitute an agreement that such payment was, in fact, due under this Lease, and a Mortgagee, having made any payment to Lessor pursuant to Lessor's incorrect or mistaken notice or demand will be entitled to the return of any such payment, as required by Idaho law.
- 17.8. Estoppel Certificates.** Upon at least thirty (30) calendar days' prior written notice from the other Party, the responding Party shall execute, acknowledge, and deliver to the requesting Party, or any third party specified, a statement certifying that this Lease is unmodified, and in full force and effect, or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications; the dates to which the Rents payable under this Lease have been paid; and stating whether or not, to the best knowledge of and based upon current information available to the signer of the certificate, the requesting Party is in default in the performance of any covenant, agreement, or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge, and further certifying as to such other matters relating to this Lease as may be reasonably requested. It being the Parties' intent that any such statement delivered pursuant to this section may be reasonably relied on by any

prospective purchaser or assignee of either Party's interest in the Leased Premises, or by either Party; provided however, that any such notices between the Parties shall not be deemed a waiver of any actual default or breach of any provision of this Lease.

18. INDEMNIFICATION.

- 18.1.** Lessee shall indemnify, defend, and save harmless Lessor, the State of Idaho, its officers, agents, employees, and volunteers from and against any and all liability, claims, damages, losses, expenses, actions, settlements, attorneys' fees, and suits whatsoever caused by, arising out of, or in connection with Lessee's acts or omissions under the Lease or Lessee's failure to comply with any applicable state, local, or federal statute, law, regulation, rule or ordinance.
- 18.2.** Upon the receipt by Lessee of Lessor's or the State of Idaho's tender of indemnity and defense, Lessee shall immediately take all reasonable actions necessary, including, but not limited to providing a legal defense for Lessor and the State of Idaho, and to begin fulfilling its obligation to indemnify, defend, and save harmless Lessor and the State of Idaho. Lessee's indemnification and defense liabilities described herein shall apply regardless of any allegations that a claim or suit is attributable in whole or in part to any act or omission of Lessor, the State of Idaho under the Lease. However, if it is determined by a final judgment that Lessor, the State of Idaho's negligent act or omission is the sole proximate cause of a suit or claim, neither Lessor nor the State of Idaho shall be entitled to indemnification from Lessee with respect to such suit or claim, and Lessor and the State of Idaho in its discretion, may reimburse Lessee for reasonable defense costs attributable to the defense provided by any Special Deputy Attorney General appointed pursuant to subsection 17.3
- 18.3.** Any legal defense provided by Lessee to Lessor and the State of Idaho under this section must be free of any conflicts of interest, even if retention of separate legal counsel for Lessee and, Lessor and the State of Idaho, is necessary. Any attorney appointed to represent Lessee, the State of Idaho must first qualify as and be appointed by the Attorney General of the State of Idaho as a Special Deputy Attorney General pursuant to I.C. §§ 67-1401(13) and 67-1409(1).

19. TITLE.

- 19.1. No Warranty of Title.** Lessor does not warrant title to the Leased Premises or the Oil and Gas resources that may be discovered in the Leased Premises. This Lease is issued only under such title as the State of Idaho may have as of the Effective Date or as may be subsequently acquired. Lessee is solely responsible for satisfying itself with respect to the ownership of the Leased Premises. If Lessor is subsequently divested of said title, no liability will be incurred by Lessor by virtue of this Lease for any loss or damage to Lessee. Nor will any claim for refund, rents, or Royalties paid to Lessor be made by Lessee, its successors or assignees.
- 19.2. No Warranty of Merchantability or Fitness.** Lessee expressly acknowledges that neither Lessor, nor any agent or representative of Lessor, has made any representation of warranty, either express or implied, with respect to the title, merchantability, or fitness of the Leased Premises for any particular purpose or use, including the uses for which this Lease is granted. Lessee accepts the Leased Premises in an "as is" condition, and relies solely on Lessee's own inspection of the Leased Premises.

- 20. FINAL BOARD APPROVAL; ORDER OF EXECUTION.** Lessee must sign this Lease first and within thirty (30) calendar days from either the mailing date or, if personally delivered by IDL, date of receipt by Lessee. This Lease is approved and becomes operative only after being signed by the Director, the Governor and the Secretary of State, on behalf of the Board; and only after approval of this Lease by a majority of the Board.
- 21. SOVEREIGN IMMUNITY.** Nothing contained in this Lease will be deemed to constitute a waiver of the State of Idaho's sovereign immunity, which immunity is hereby expressly reserved.
- 22. JOINT LIABILITY OF LESSEE.** If Lessee consists of more than one person, all such persons will be jointly and severally liable for each term, condition, covenant, duty and obligation of this Lease
- 23. GOVERNING LAW.** This Lease is governed by and must be construed under the laws of the State of Idaho. The Parties consent to the jurisdiction of the state courts of Ada County in the State of Idaho in the event of any dispute regarding or relating to this Lease.
- 24. LEGAL FEES.** In the event either Party initiates and prevails in any action or suit for the enforcement of any of the provisions of this Lease, the prevailing party will be awarded reasonable costs and attorney fees as provided for in I.C. § 12-117 or any other applicable law.
- 25. SEVERABILITY.** Each section of this Lease must be interpreted in such a manner as to be valid and enforceable under applicable law, but if any section is or becomes prohibited or invalid under any applicable law, that section will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that section, any other section, or the Lease as a whole contract.
- 26. ENTIRE AGREEMENT.** This Lease sets forth the entire agreement between the Parties related to the subject matter of this agreement and may not be modified without the written consent of both Parties
- 27. FORCE MAJEURE.** If Lessor or Lessee is delayed, hindered, or prevented from performing any act required hereunder by reason of any act of God; strike; lockout; labor trouble; inability to procure materials; failure of power; restrictive government laws or regulations enacted after the Effective Date, which preclude activities that are the subject of this Lease; riot; insurrection; war; escalation of hostilities; or other reason beyond the Party's control making performance impossible, then performance of that act, and that act only, shall be excused for the reasonable period of the delay upon proper and satisfactory proof presented to Lessor. Lessee shall work diligently to eliminate the delay and immediately notify Lessor when the reason for the force majeure event has ceased. Neither Lessee's financial condition nor the failure of any of Lessee's contractors or subcontractors or any other party with whom Lessee contracts shall be an event of force majeure excusing the performance of any act. The reduction or cessation of production on the Leased Premises is not a force majeure event.
- 28. NOTICE.** All notices between the Parties in connection with the Lease shall be in accordance with terms of the Lease. All notices allowed or required herein shall be given by registered or certified mail, deposited in the United States mails with postage prepaid; or by depositing the same with FedEx, UPS, or similar shipping service with shipping fees prepaid. If such service is used, tracking information shall be provided to the other Party. The notices shall be sent to the addresses stated on the Summary Page. Either Party may change the place for giving notice by written notice to the other Party.
- 29. LIEN ON PRODUCTION.** Lessee hereby grants to Lessor, and Lessor will have a first lien, as additional security interest, upon all Oil and Gas Produced from the Leased Premises in order to secure the payment of all rentals and Royalties, together with any and all other sums of money that may become due under the terms of this Lease.

30. HEADINGS. All headings in this Lease are for convenience only and do not affect the meaning of any provision in this Lease.

31. NO WAIVER. The failure by Lessor to require performance of any provision will not affect Lessor's right to require performance at any time thereafter; nor will a waiver of any breach of default of this Lease constitute a waiver of any subsequent breach, default, or a waiver of the provision itself.

32. PUBLIC RECORD. Pursuant to I.C. §§ 74-101 through 74-127, any information or documents received from Lessee may be open to public inspection and copying unless specifically exempt from disclosure. Lessee must clearly designate individual documents as "exempt" on each page of such documents and must indicate the basis for such exemption. Lessor will not accept the marking of an entire document as exempt. In addition, Lessor will not accept a legend or statement on one (1) page that all, or substantially all, of the document is exempt from disclosure. Lessee will indemnify and defend Lessor against all liability, claims, damages, losses, expenses, actions, attorney fees and suits whatsoever for honoring any designation by Lessee, or for Lessee's failure to designate individual documents as exempt. Lessee's failure to designate as exempt any document or portion of a document that is released by Lessor will constitute a complete waiver of any and all claims for damages caused by any such release.

33. PROMOTION. Except as allowed with the prior written approval of Lessor, Lessee, including any successor or assign, may not use the name of Lessor, the Board, IDL, the State of Idaho, or any agency of the State of Idaho; or the fact that any of Lessee's operations are conducted, in whole or in part, on State Lands in any advertisement by Lessee or in any prospectus promoting the sale of stock. The inclusion of this Lease as an asset of Lessee in Lessee's accounting and financial records and statements will not be a breach of this provision or this Lease.

34. WRITTEN MODIFICATION. Except as provided herein, no modification, extension, assignment, release, discharge, change, or waiver of any provision of this Lease shall be of any force, effect, or value unless signed in writing by Lessor, or its duly authorized agent.

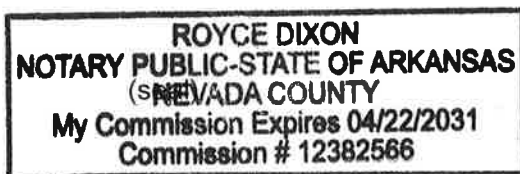
35. COUNTERPARTS. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

[The remainder of this page is intentionally left blank.]

Snake River Oil and Gas, LLC
an Idaho limited liability company


RICHARD BROWN, Manager

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first above written.



Rance Dillon
Notary Public for State of ~~Idaho~~ Arkansas
My Commission Expires: 4-22-2031

IN WITNESS WHEREOF, the State Board of Land Commissioners has executed this instrument as set forth below.

STATE BOARD OF LAND COMMISSIONERS

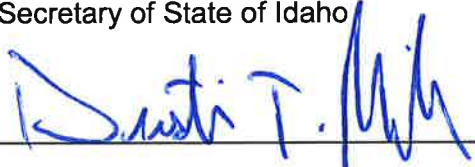


President of the State Board of Land Commissioners
and Governor of the State of Idaho

Countersigned:



Secretary of State of Idaho



Director of the Idaho Department of Lands



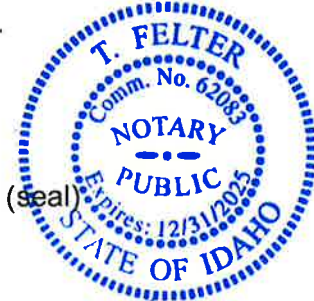
STATE OF IDAHO)

)ss.

COUNTY OF ADA)

On this 30th day of January, 2023, before me, a Notary Public in and for said State, personally appeared BRAD LITTLE, as the President of the State Board of Land Commissioners and Governor of the State of Idaho, that executed the within instrument, and acknowledged to me that he executed the same as said President and Governor, and that the State Board of Land Commissioners and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.



Notary Public for State of Idaho

My Commission Expires: 12/31/25

STATE OF IDAHO)

)ss.

COUNTY OF ADA)

On this 6th day of Feb., 2023, before me, a Notary Public in and for said State, personally appeared PHIL MCGRANE, as Secretary of State of Idaho, that executed the within instrument, and acknowledged to me that he executed the within instrument as said Secretary of State and that the State Board of Land Commissioners and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.



Lisa Mason
Notary Public for State of Idaho

My Commission Expires: 11/14/25

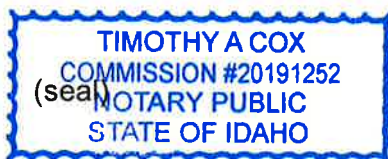
STATE OF IDAHO)

)ss.

COUNTY OF ADA)

On this 12th day of JANUARY, 2023, before me, a Notary Public in and for said State, personally appeared DUSTIN T. MILLER, the Director of the Idaho Department of Lands and Secretary of the State Board of Land Commissioners, and acknowledged to me that he executed the within instrument as said Director and Secretary, and that the State Board of Land Commissioners and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.



Timothy A Cox
Notary Public for State of Idaho

My Commission Expires: 6/25/25

ATTACHMENT A
SPECIAL TERMS AND CONDITIONS

1. This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions.
2. In addition, upon completion of a successful well, where river title is disputed, the Lessee will file an interpleaded action under Rule 22 of Idaho Rules of Civil Procedure in the local District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The Lessee shall name all potential royalty claimants as defendants.

ATTACHMENT B
LEGAL DESCRIPTION OF LEASED PREMISES

The following described parcels more particularly described as:

Payette River in and adjacent to Government Lots 1-7 located in Section 24, Township 8 North, Range 5 West, Boise Meridian, in Payette County, Idaho.

Contains 53.61 acres, more or less.

The following tables are for Idaho Department of Lands' internal purposes only and are not intended to be part of the legal description:

Instrument Number	Township	Range	Section	Legal Description	County	Endowment	Acres
O600643	08N	05W	24	Payette River in and adjacent to Gov Lots 1-7	Payette	ND	53.61

Mineral Owner	Surface Owner	Sage Grouse IMHA	Sage Grouse PMHA
State	State	0	0

ATTACHMENT C

SITE MAPS

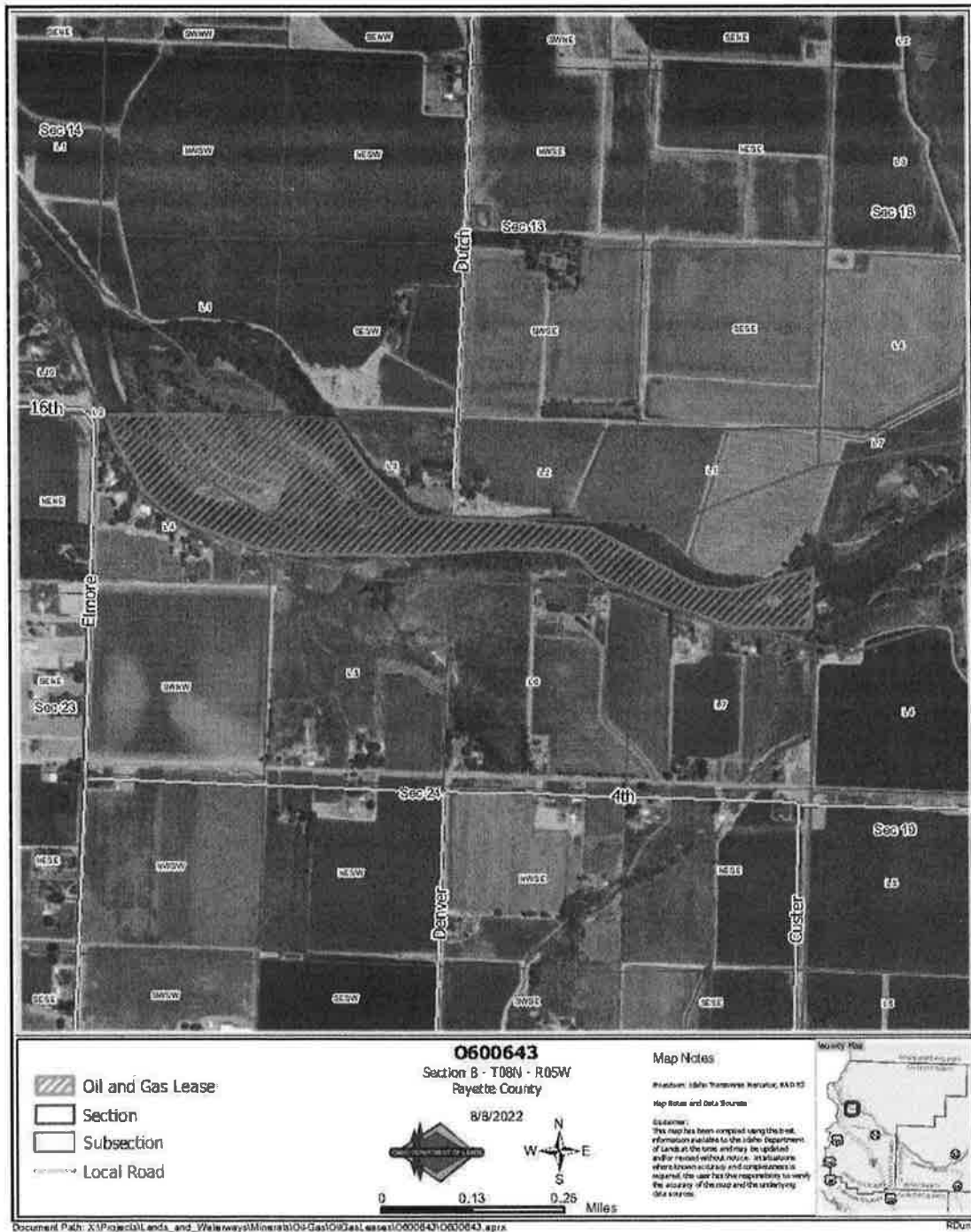
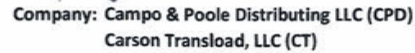


EXHIBIT B



Amended (Month/Year):

PLANT FUEL GAS	
GAS (MCF)	
0.0	
22.5	
13.3	
0.0	
656.6	
70.3	
397.8	
320.2	
57.8	
0.0	
21.3	
9.8	



Address: PO Box 309
City: Ontario

Zip: 97914
Phone: 541-889-3128
Email: rouse@carsonteam.com
Amended (Month/Year):

Total (in barrels)

Truck In (CPD to C	Rail Out (CT to SR	Balance
0	-	173
0	169	342
0	0	342
0	0	342
0	0	342
0	339	0
0	340	340
0	340	0
0	340	340
0	340	0
0	0	0
0	0	0
0	339	339
0	340	0
0	170	170
0	170	340
0	0	340
0	0	340
0	0	340
0	347	0
0	340	340
0	340	0
0	0	0
0	170	170
0	0	170
0	0	170
0	0	170
0	339	509
0	339	170
0	170	339



IDAHO OIL AND GAS CONSERVATION COMMISSION
OIL AND GAS MONTHLY TRANSPORTATION AND STORAGE REPORT



Company: Campo & Poole Distributing LLC (CPD)
Carson Transload, LLC (CT)

Report Period (Month/Year): 12/1/2022

Address: PO Box 309

City: Ontario

State: OR

Zip: 97914

Contact Name: Jeff Rouse

Title: VP-Business Dev.

Phone: 541-889-3128

Email: rouse@carsonteam.com

Amended (Month/Year):

ded Report (Y/N) N

River Oil and Gas

NGL

Condensate

Total (in barrels)

Origin: Hwy 30 Dest: Carson Transload/Railroad

Origin: Hwy 30 Dest: Carson Transload/Railroad

	Truck In (CPD to CT)	Rail Out (CT to SROG*)	Balance	Truck In (CPD to CT)	Rail Out (CT to SR)	Balance	Truck In	Rail Out	Balance
12/30/2022			14,249			0		0	339
44926			14249.07			0		0	339
Gallons	207,096.07	200,125	14249.07						
Barrels	4,930.86	4,765	339.26	0	0	0			

CERTIFICATE: I, the undersigned, state that I am the Controller and that I am authorized by said company to make this report and that this report was prepared under my supervision and direction and that the facts stated herein are true, correct and complete to the best of my knowledge.

1-10-2023

DATE:

SIGNATURE:

*****IDL Office Use Only*****

Reviewed By:

Date:

NGL Transload Order Report

From 12/01/2022 thru 12/31/2022

Ontario Business Holdings, LLC

Grouped by AR Statement Billing Group Sorted by Invoice Date

Page: 1 of 3

Report Settings

Report Type:	Order Line Item Summary	Include Product Amount:	Yes
Date Format:	Delivery Date Range	Include Freight Amount:	No
Include Margin Information:	No	Include Tax Amount:	Taxes in Inventory on Purchase and Sale
Order Types to Include:	Bulk Fuel	Include Allowance Amount:	No
Filter by Load Reconciliation Status:	No	Include Totals by Group:	No
Print COD Orders Only:	No	Itemize Per Load Charges:	No
Salesperson:	(Any)	Include Order Totals:	No
Vehicle:	(Any)	Include Orders for Customer Locations:	All
Driver:	(Any)	Include Orders for Company Owned Sites:	None
Drop Ship Site:	(Any)	Products to Include:	NGLCC
Entered By:	(Any)	Product Packages to Include:	
Product Print Options:	Product Description	Include Orders from Vendors:	Yes - All
Include all Products for Selected Orders:	No	Include Orders from Terminals:	Yes - All
Include Orders from Wholesale Sites:	No	Limit Credit Orders:	No
Statuses to Include:	Billed	Limit to Buyback Orders:	No

Order No	Customer	Location	Status	Deliv Date	Invoice No	Product/Package	Invoice Units	Price	
								Per Unit	Extended

AR Statement Billing Group: Standard

OOD-059885	52003225 - CARSON OIL CC	0097	Billed	12/01/2022	OIN-045207	NGL COMMON CARRY	7,093.25	0.000000	0.00
OOD-060304	52003225 - CARSON OIL CC	0097	Billed	12/05/2022	OIN-045384	NGL COMMON CARRY	7,096.00	0.000000	0.00
OOD-060305	52003225 - CARSON OIL CC	0097	Billed	12/05/2022	OIN-045385	NGL COMMON CARRY	7,140.00	0.000000	0.00
OOD-060306	52003225 - CARSON OIL CC	0097	Billed	12/06/2022	OIN-045386	NGL COMMON CARRY	7,135.69	0.000000	0.00
OOD-060309	52003225 - CARSON OIL CC	0097	Billed	12/06/2022	OIN-045387	NGL COMMON CARRY	7,141.00	0.000000	0.00
OOD-060315	52003225 - CARSON OIL CC	0097	Billed	12/07/2022	OIN-045388	NGL COMMON CARRY	7,138.88	0.000000	0.00
OOD-060317	52003225 - CARSON OIL CC	0097	Billed	12/07/2022	OIN-045389	NGL COMMON CARRY	7,138.19	0.000000	0.00
OOD-060333	52003225 - CARSON OIL CC	0097	Billed	12/08/2022	OIN-045390	NGL COMMON CARRY	7,138.31	0.000000	0.00
OOD-060334	52003225 - CARSON OIL CC	0097	Billed	12/08/2022	OIN-045391	NGL COMMON CARRY	7,140.06	0.000000	0.00

NGL Transload Order Report

From 12/01/2022 thru 12/31/2022

Ontario Business Holdings, LLC

Grouped by AR Statement Billing Group Sorted by Invoice Date

Page: 2 of 3

Order No	Customer	Location	Status	Deliv Date	Invoice No	Product/Package	Invoice Units	Price	
								Per Unit	Extended
OOD-060472	52003225 - CARSON OIL C	0097	Billed	12/09/2022	OIN-045430	NGL COMMON CARRY	7,134.50	0.000000	0.00
OOD-060473	52003225 - CARSON OIL C	0097	Billed	12/09/2022	OIN-045431	NGL COMMON CARRY	7,132.31	0.000000	0.00
OOD-060621	52003225 - CARSON OIL C	0097	Billed	12/12/2022	OIN-045551	NGL COMMON CARRY	7,128.63	0.000000	0.00
OOD-060622	52003225 - CARSON OIL C	0097	Billed	12/12/2022	OIN-045552	NGL COMMON CARRY	7,128.44	0.000000	0.00
OOD-060638	52003225 - CARSON OIL C	0097	Billed	12/13/2022	OIN-045553	NGL COMMON CARRY	7,134.94	0.000000	0.00
OOD-060641	52003225 - CARSON OIL C	0097	Billed	12/13/2022	OIN-045554	NGL COMMON CARRY	7,131.13	0.000000	0.00
OOD-060746	52003225 - CARSON OIL C	0097	Billed	12/14/2022	OIN-045622	NGL COMMON CARRY	7,134.00	0.000000	0.00
OOD-060801	52003225 - CARSON OIL C	0097	Billed	12/15/2022	OIN-045685	NGL COMMON CARRY	7,136.50	0.000000	0.00
OOD-061063	52003225 - CARSON OIL C	0097	Billed	12/19/2022	OIN-045832	NGL COMMON CARRY	7,452.81	0.000000	0.00
OOD-061067	52003225 - CARSON OIL C	0097	Billed	12/19/2022	OIN-045833	NGL COMMON CARRY	7,125.81	0.000000	0.00
OOD-061121	52003225 - CARSON OIL C	0097	Billed	12/20/2022	OIN-045888	NGL COMMON CARRY	7,129.25	0.000000	0.00
OOD-061123	52003225 - CARSON OIL C	0097	Billed	12/20/2022	OIN-045889	NGL COMMON CARRY	7,132.94	0.000000	0.00
OOD-061208	52003225 - CARSON OIL C	0097	Billed	12/21/2022	OIN-045956	NGL COMMON CARRY	7,133.44	0.000000	0.00
OOD-061209	52003225 - CARSON OIL C	0097	Billed	12/21/2022	OIN-045957	NGL COMMON CARRY	7,134.31	0.000000	0.00
OOD-061358	52003225 - CARSON OIL C	0097	Billed	12/23/2022	OIN-046047	NGL COMMON CARRY	7,134.63	0.000000	0.00
OOD-061514	52003225 - CARSON OIL C	0097	Billed	12/27/2022	OIN-046196	NGL COMMON CARRY	7,127.31	0.000000	0.00
OOD-061515	52003225 - CARSON OIL C	0097	Billed	12/27/2022	OIN-046197	NGL COMMON CARRY	7,128.81	0.000000	0.00
OOD-061533	52003225 - CARSON OIL C	0097	Billed	12/28/2022	OIN-046198	NGL COMMON CARRY	7,128.00	0.000000	0.00
OOD-061535	52003225 - CARSON OIL C	0097	Billed	12/28/2022	OIN-046195	NGL COMMON CARRY	7,126.69	0.000000	0.00
OOD-061560	52003225 - CARSON OIL C	0097	Billed	12/29/2022	OIN-046199	NGL COMMON CARRY	7,120.25	0.000000	0.00

NGL Transload Order Report

From 12/01/2022 thru 12/31/2022

Ontario Business Holdings, LLC

Grouped by AR Statement Billing Group Sorted by Invoice Date

Order No	Customer	Location	Status	Deliv Date	Invoice No	Product/Package	Invoice Units	Price	
								Per Unit	Extended
Standard Total:							207,096.08		0.00
Report Total:							207,096.08		0.00



IDAHO OIL AND GAS CONSERVATION COMMISSION

OIL AND GAS MONTHLY PURCHASER REPORT



Purchaser: IGI Resources, Inc.
Address: P.O. Box 6488
City: Boise
Contact Name: Randy Schultz
State: Idaho
Title: President
Report Period (Month/Year): 22-Dec
Zip: 83707
Phone: 208-395-0512
Email: randy.schultz@bp.com
Origin:
Statement Number: Dec-22
Amended Report (Y/N): N
Amended (Month/Year):

Producer	Product	Volume (BBL/MCF/GAL)	BTU Adjustment (for gas)	Price	Value
SNAKE RIVER	Gas	274,464.00	238,845.00	\$29.3018	\$8,042,285.12

NOTE: Gas volumes are actual sales volumes as agreed to by buyer.

Oil volumes are run ticket volumes sold during month.

Market prices are run ticket prices paid by End Purchaser of the products during the report month.

Total sales are income received from End Purchaser during the report month.

Condensate and Natural Gas Liquids are run ticket volumes from buyer.

BTU adjustments are average adjustments agreed to by buyer.

CERTIFICATE: I, the undersigned, state that I am the: General Partner and that I am authorized by said company to make this report and that this report was prepared under my supervision and direction and that the facts stated herein are true, correct and complete to the best of my knowledge.

2/9/2023
DATE:

Chris Weiser
SIGNATURE:

*****IDL Office Use Only*****

Reviewed By:

Date:



IDAHO OIL AND GAS CONSERVATION COMMISSION

OIL AND GAS MONTHLY PURCHASER REPORT



Purchaser: Pinnacle Energy Marketing, LLC
Address: 201 South Main Street, Suite 2025
City: Salt Lake City **State:** Utah
Contact Name: Dallin Swainston **Title:** President

Report Period (Month/Year): 22-Dec
Zip: 84111
Phone: 801-722-1704
Email: dswainston@ie-cos.com
Origin:
Amended (Month/Year):

Statement Number: 1222 SR
Amended Report (Y/N) N

Producer	Product	Volume (BBL/MCF/GAL)	BTU Adjustment (for gas)	Price	Value
Snake River	Condensate	3,027.45		\$59.1181	\$178,977.16

NOTE: Gas volumes are actual sales volumes as agreed to by buyer.

Oil volumes are run ticket volumes sold during month.

Market prices are run ticket prices paid by End Purchaser of the products during the report month.

Total sales are income received from End Purchaser during the report month.

Condensate and Natural Gas Liquids are run ticket volumes from buyer.

BTU adjustments are average adjustments agreed to by buyer.

CERTIFICATE: I, the undersigned, state that I am the: General Partner and that I am authorized by said company to make this report and that this report was prepared under my supervision and direction and that the facts stated herein are true, correct and complete to the best of my knowledge.

2/9/2023
DATE:

Chris Weiser
SIGNATURE:

*****IDL Office Use Only*****

Reviewed By:

Date:



IDAHO OIL AND GAS CONSERVATION COMMISSION

OIL AND GAS MONTHLY PURCHASER REPORT



Purchaser: NGL Supply Company
Address: 720 S Colorado Blvd Suite 720N
City: Denver **State:** Colorado
Contact Name: Josh Duval **Title:**
Report Period (Month/Year): 22-Dec
Zip: 80246
Phone: 303-839-1806
Email: jduval@nglsupply.com
Origin:
Statement Number: 22-Dec
Amended Report (Y/N): N
Amended (Month/Year):

Producer	Product	Volume (BBL/MCF/GAL)	BTU Adjustment (for gas)	Price	Value
Snake River	NGL	145,454.00		\$0.5891	\$85,681.36

NOTE: Gas volumes are actual sales volumes as agreed to by buyer.

Oil volumes are run ticket volumes sold during month.

Market prices are run ticket prices paid by End Purchaser of the products during the report month.

Total sales are income received from End Purchaser during the report month.

Condensate and Natural Gas Liquids are run ticket volumes from buyer.

BTU adjustments are average adjustments agreed to by buyer.

CERTIFICATE: I, the undersigned, state that I am the:

prepared under my supervision and direction and that the facts stated herein are true, correct and complete to the best of my knowledge.

and that I am authorized by said company to make this report and that this report was

2/9/2023
DATE:

Chris Weiser
SIGNATURE:

*****IDL Office Use Only*****

Reviewed By:

Date:

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 15th day of March 2023, a true and correct copy of the foregoing **POST HEARING BRIEF** was served upon opposing counsel as follows:

Snake River Oil & Gas LLC
c/o Michael Christian Hardee, Pinol &
Kracke PLLC
1487 S. David Lane Boise ID 83705
mike@hpk.law
and amy@hpk.law

☐ US Mail
☐ Personal Delivery
☐ Facsimile
☒ Email

Idaho Department of Lands
Attn: Mick Thomas
300 N. 6th Street, Suite 103 P.O. Box
83720 Boise, ID 83720
e-mail: kromine@idl.idaho.gov and
mthomas@idl.idaho.gov

☐ US Mail
☐ Personal Delivery
☐ Facsimile
☒ Email

Kristina Fugate
Deputy Attorney General
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Boise ID 83720-0010
kristina.fugate@ag.idaho.gov

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☐ Personal Delivery
☐ Facsimile
☒ Email

/s/ J. Kahle Becker
J. KAHLE BECKER
Attorney for Objecting Property Owners,
Jordan A. and Dana C. Gross and Little
Buddy Farm LLC