

**From:** [Wills, Rebecca](#)  
**To:** [Hearing Officer Mailbox](#); [Fugate, Kristina](#); [Kourtney Romine](#); [mike@smithmalek.com](mailto:mike@smithmalek.com); [james@idunionlaw.com](mailto:james@idunionlaw.com); [Marty@idunionlaw.com](mailto:Marty@idunionlaw.com); [bushmurphy@hotmail.com](mailto:bushmurphy@hotmail.com); [steve.rapanos@trendwellenergy.com](mailto:steve.rapanos@trendwellenergy.com); [edinst@tds.net](mailto:edinst@tds.net); [mlp@leader-picone.com](mailto:mlp@leader-picone.com)  
**Cc:** [External - Joy M. Vega](#)  
**Subject:** IDL Exhibit and Witness List w\_IDL Exhibit 1.pdf  
**Date:** Tuesday, March 02, 2021 09:17:36 AM  
**Attachments:** [image001.png](#)  
[IDL Exhibit and Witness List w IDL Exhibit 1.pdf](#)

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Please see the attached exhibit and witness list from Deputy Attorney General J. Vega.



**Rebecca Wills**

Legal Secretary  
Natural Resources Division  
Office of the Attorney General  
P.O. Box 83720  
Boise, ID 83720-0010  
208.334.4544  
[rebecca.wills@ag.idaho.gov](mailto:rebecca.wills@ag.idaho.gov)

LAWRENCE G. WASDEN  
ATTORNEY GENERAL

DARRELL G. EARLY  
Chief of Natural Resources Division

JOY M. VEGA, ISB #7887  
Deputy Attorney General  
700 W. State Street, 2<sup>nd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0010  
Telephone: (208) 334-2400  
Fax: (208) 854-8072  
Email: joy.vega@ag.idaho.gov

Attorneys for Idaho Department of Lands, Oil and Gas Program

**BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION**

IN THE MATTER OF:

Determining whether the integration order  
in Docket No. CC-2016-OGR-01-001  
applies to the permitted proposed  
Barlow # 2-14 well.

Docket No. CC-2020-OGR-01-003

Appeal No. 20-72167

**IDAHO DEPARTMENT OF LAND'S  
HEARING EXHIBIT AND  
WITNESS LIST**

COMES NOW the Idaho Department of Lands (“IDL”), by and through the Office of the Attorney General, its counsel of record, and pursuant to the AMENDED NOTICE SCHEDULING HEARING, dated February 10, 2021, hereby submits its single exhibit, attached hereto, entitled, *IDL Report re: Timeline and Applicable Law*, and marked as IDL Exhibit 1. IDL reserves the right to utilize any item already in the administrative record, any item listed on any other party’s exhibit list, and to use demonstrative exhibits that may not be listed. Finally, IDL reserves the right to amend or supplement this list in advance of the hearing.

Additionally, IDL hereby submits the following list of people that IDL may call as witnesses at the hearing in this matter:

- (1) Mick Thomas, IDL Division Administrator Minerals, Public Trust, Oil & Gas; or
- (2) James Thum, IDL Minerals Program Specialist.

IDL reserves the right to call any witness listed on any other party's witness list. IDL reserves the right to amend or supplement this list in advance of hearing.

DATED this 2nd day of March, 2021.

STATE OF IDAHO  
OFFICE OF THE ATTORNEY GENERAL

/s/ Joy M. Vega\_\_\_\_\_

JOY M. VEGA

Deputy Attorney General

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 2nd day of March, 2021, I caused to be served a true and correct copy of the foregoing by the following method to:

Mr. Lincoln Strawhun	<input type="checkbox"/> U.S. Mail
Hearing Officer	<input type="checkbox"/> Hand Delivery
FAIR HEARINGS UNIT	<input type="checkbox"/> Certified Mail, Return Receipt Requested
OFFICE OF THE ATTORNEY GENERAL	<input type="checkbox"/> Overnight Delivery
PO Box 83720	<input type="checkbox"/> Fax: (208) 854-8070
Boise, ID 83720-0010	<input checked="" type="checkbox"/> Email: hearing.officer@ag.idaho.gov
	<input type="checkbox"/> Statehouse Mail

Ms. Kristina Fugate	<input type="checkbox"/> U.S. Mail
OFFICE OF THE ATTORNEY GENERAL	<input type="checkbox"/> Hand Delivery
PO Box 83720	<input type="checkbox"/> Certified Mail, Return Receipt Requested
Boise, Idaho 83720-0010	<input type="checkbox"/> Overnight Delivery
<i>Attorney for Oil and Gas Conservation Commission</i>	<input checked="" type="checkbox"/> Email: kristina.fugate@ag.idaho.gov kromine@idl.idaho.gov
	<input type="checkbox"/> Statehouse Mail

Mr. Michael Christian	<input type="checkbox"/> U.S. Mail
SMITH +MALEK	<input type="checkbox"/> Hand Delivery
101 S Capitol Blvd, Ste. 930	<input type="checkbox"/> Certified Mail, Return Receipt Requested
Boise, Idaho 83702	<input type="checkbox"/> Overnight Delivery
<i>Attorneys for Snake River Oil and Gas</i>	<input checked="" type="checkbox"/> Email: mike@smithmalek.com

Mr. James Piotrowski	<input type="checkbox"/> U.S. Mail
PIOTROWSKI DURAND, PLLC	<input type="checkbox"/> Hand Delivery
PO Box 2864	<input type="checkbox"/> Certified Mail, Return Receipt Requested
Boise, Idaho 83721	<input type="checkbox"/> Overnight Delivery
<i>Attorneys for CAIA</i>	<input checked="" type="checkbox"/> Email: James@idunionlaw.com Marty@idunionlaw.com

Ms. Judy Irene Shaver, Trustee	<input type="checkbox"/> U.S. Mail
2410 NE 16 <sup>th</sup> St	<input type="checkbox"/> Hand Delivery
PO Box 310	<input type="checkbox"/> Certified Mail, Return Receipt Requested
Fruitland, ID 83619	<input type="checkbox"/> Overnight Delivery
	<input checked="" type="checkbox"/> Email: bushmurphy@hotmail.com

Mr. Steven N. Rapanos  
TRENDWELL ENERGY CORPORATION  
PO Box 560  
Rockford, MI 49341

U.S. Mail  
 Hand Delivery  
 Certified Mail, Return Receipt Requested  
 Overnight Delivery  
 Email: [steve.rapanos@trendwellenergy.com](mailto:steve.rapanos@trendwellenergy.com)

Mr. Chuck Broscius  
Environmental Defense Institute

U.S. Mail  
 Hand Delivery  
 Certified Mail, Return Receipt Requested  
 Overnight Delivery  
 Email: [edinst@tds.net](mailto:edinst@tds.net)

Mr. Malcolm Leader-Picone  
Leader-Picone & Young, LLP  
1970 Broadway, Ste 1030  
Oakland, CA 94612  
*Attorney for Fallon Enterprises, Inc.*

U.S. Mail  
 Hand Delivery  
 Certified Mail, Return Receipt Requested  
 Overnight Delivery  
 Email: [mlp@leader-picone.com](mailto:mlp@leader-picone.com)

/s/ Joy M. Vega

JOY M. VEGA

Deputy Attorney General

## **IDL EXHIBIT 1**

### **IDL REPORT RE: TIMELINE AND APPLICABLE LAW**

The Idaho Department of Lands (“IDL”) offers the following: (A) information regarding the timeline of events, both before and after, the issuance of the ORDERS FOR INTEGRATION in Docket No. CC-2016-OGR-01-001 (“Order”); (B) analysis regarding the version of statutes that apply to the Order; and (C) a visual depiction of the entire Harmon Field Area in Payette County, Idaho, and the various administrative orders issued regarding oil and gas exploration and development. IDL intends this report to be neutral, providing information and analysis that may be useful to the Hearing Officer’s determination of the question presented – whether the Order applies to the permitted, proposed Barlow #2-14 well.

**A. Timeline of Events for: the Barlow Spacing Unit & Integration, the Barlow #1-14 Well Permit, and the Barlow #2-14 Application for Permit to Drill.**

The public records documenting the following timeline of events may be found on the Idaho Oil and Gas Conservation Commission’s website, on the Orders page, Well Files page, Well Permit Applications page, or Hearings page. OGCC Home Page, <https://ogcc.idaho.gov>.

May 18, 2016: Pursuant to Idaho Code § 47-322 (2016) and Idaho Code § 47-324 (2016), AM Idaho, LLC and Alta Mesa Services, LP, file with IDL an Application for Integration of unleased mineral interest owners in Section 14, Township 8 North Range 5 West, Boise Meridian, Payette County, Idaho (“Application”). The proposed unit includes leased and unleased mineral interests totaling +/- 640 acres within Section 14. The area covered by the Application is a “Standard Spacing Unit” for a gas well, as defined in IDAPA 20.07.02.120.03.<sup>1</sup> OGCC, AM Idaho, LLC, Application for Integration & Spacing (2016), [https://ogcc.idaho.gov/wp-content/uploads/sites/3/1.-20160518\\_ApplicationforIntegration-001.pdf](https://ogcc.idaho.gov/wp-content/uploads/sites/3/1.-20160518_ApplicationforIntegration-001.pdf).

June 16, 2016: A combined Hearing for the Application (and a second, separate, application for integration of unleased mineral interest owners in Section 19, Township 8 North Range 4 West, Boise Meridian, Payette County, Idaho) is held to consider both applications and hear party and public testimony.

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<sup>1</sup> Amendments to IDAPA 20.07.02 – *Conservation of Oil and Natural Gas in the State of Idaho*, were ratified in 2012, 2015 and 2019. Archived Rules can be found at, Idaho Office of Administrative Rules Coordinator, <https://adminrules.idaho.gov/rules/current/20/index.html>.

August 5, 2016: The hearing officer and the IDL Director, Tom Schultz, issue the Orders for Integration (“Order”), integrating unleased mineral tracts for all of Section 14, Township 8 North Range 5 West, Boise Meridian, Payette County, Idaho. The 640-acre unit is referred to as the “Barlow Unit.” OGCC, Barlow Unit Integration Order (2016), [https://ogcc.idaho.gov/wp-content/uploads/sites/3/2018/02/8.-CC-2016-OGR-01-001002\\_20160805\\_OrdersForIntegration-AM\\_PTS.pdf](https://ogcc.idaho.gov/wp-content/uploads/sites/3/2018/02/8.-CC-2016-OGR-01-001002_20160805_OrdersForIntegration-AM_PTS.pdf).

October 20, 2017: Pursuant to Idaho Code § 47-316 (2017) and IDAPA 20.07.02.200, Alta Mesa Services, LP (“Operator”) files with IDL an Application for Permit to Drill a Well (“APD”) within the Barlow Unit. The proposed Barlow #1-14 well is designated as a vertical well with a requested permitted total vertical and measured depth of 5,800 feet. Because of a lack of geologic information regarding the subsurface stratigraphy, the target pool(s) are estimated to be encountered at depths between 3,248 feet and 3,435 feet.

October 28, 2017: IDL approves the APD for the Barlow #1-14 well. Per IDAPA 20.07.02.200.03, the Permit to Drill expires one year from this date unless the Operator applies for an extension from IDL. The well is assigned United States Well Number (“USWN”) and Permit Number 11-075-20033. OGCC, Barlow 1-14 APD and Permit, [https://ogcc.idaho.gov/wp-content/uploads/sites/3/20171026\\_1107520033-APD-Barlow-1-14\\_posted2021-REDACTED-ltrs-PTS.pdf](https://ogcc.idaho.gov/wp-content/uploads/sites/3/20171026_1107520033-APD-Barlow-1-14_posted2021-REDACTED-ltrs-PTS.pdf).

January 17, 2018: The Operator commences well construction activities for the Barlow #1-14 under the conditions of Permit No. 11-075-20033. Drilling reaches a total depth (“TD”) of 4,150 feet on January 25, 2018. After evaluating the potential hydrocarbon producing zones encountered, the Operator installs production casing in the well to the total depth of the well. Testing operations commence on February 10, 2018, on three separate zones between depths of 3,503 feet and 3,606 feet, and are completed February 16, 2018. The well is completed and ready for production from a geologic interval between 3,503 feet and 3,512 feet, then shut-in by the Operator while waiting for pipeline gathering infrastructure to be installed.

March 16, 2018: Pursuant to Idaho Code § 47-324(4) (2017), IDAPA 20.07.02.340 and IDAPA 20.07.02.341, the Operator submits the required Well Log Data and Well Completion reports to IDL. The stratigraphic interval completed and ready for production is the Miocene Chalk Hills “D” Sand.

January 22, 2020: High Mesa Holdings, LP and AM Idaho, LLC, notify IDL that as a result of a Purchase and Sale Agreement, dated December 24, 2019, they are resigning as Operator of all their wells and production in Idaho, and designating Snake River Oil & Gas, LLC (“SROG”), as the operator going forward. Per IDAPA 20.07.02, IDL contacts SROG to provide them with a list of documents to file and procedures to follow in order to effect the transfer of operatorship.

February 11, 2020: IDL recognizes SROG as the operator of the wells and approves transfer of the well permits to SROG. Shortly after the transfer, SROG commences installation of gathering pipelines and associated facilities for the Barlow #1-14 and Fallon #1-10 wells in Payette County, Idaho.

March 2020: SROG notifies IDL that due to economics and poor commodity prices, it is shutting in (*i.e.* turning off) all production and will be securing the wells and facilities until prices improve sufficiently to make the operations profitable.

June 26, 2020: Pursuant to Idaho Code § 47-316 (2017) and IDAPA 20.07.02.200, SROG submits an APD within the existing 640-acre Barlow Unit (Section 14, Township 8 North Range 5 West, Boise Meridian, Payette County, Idaho). The proposed Barlow #2-14 well is designed as a deviated / directional (*i.e.* non-vertical) well with a surface location on the existing well production pad for the Barlow #1-14. The Barlow #2-14 well is proposed to be drilled directionally to the southwest corner of the Barlow Unit to a total measured (*i.e.* drilled) depth (“MD”) of 4,463 feet, and a total vertical depth (“TVD”) of 3,777 feet. The proposed well is designed to test the Miocene Chalk Hills “B” Sand, a separate source of supply (*i.e.* a separate hydrocarbon “pool”), which is not present in the existing Barlow #1-14, “D” Sand, well. OGCC, Barlow 2-14 APD, [https://ogcc.idaho.gov/wp-content/uploads/sites/3/20200715\\_Barlow2-14\\_APDComplete\\_PTS.pdf](https://ogcc.idaho.gov/wp-content/uploads/sites/3/20200715_Barlow2-14_APDComplete_PTS.pdf).

September 4, 2020: IDL submits its final report on the technical evaluation of the APD for the proposed Barlow #2-14 well to the IDL Division Administrator with a recommendation to deny the APD. The technical evaluation concludes, in part, that the proposed location of the well to the targeted “B” Sand, although in a legal location per Idaho Code § 47-317 (2017) and a separate source of supply from the completed interval in the Barlow #1-14, had the potential to drain hydrocarbons outside of the existing Barlow Unit.



September 11, 2020: The IDL Division Administrator notifies the SROG in writing that based on the technical recommendations of IDL staff, and the wording of the Order in Docket No. 2016-OGR-01-001, the APD is being denied. OGCC, Barlow #2-14 Denial Letter, [https://ogcc.idaho.gov/wp-content/uploads/sites/3/20200911\\_Barlow2-14-denial-letter-figures-PTS.pdf](https://ogcc.idaho.gov/wp-content/uploads/sites/3/20200911_Barlow2-14-denial-letter-figures-PTS.pdf).

September 25, 2020: Pursuant to Idaho Code § 47-316(1)(e) (2017), SROG files a written appeal from IDL’s denial. OGCC, SROG Appeal Request, [https://ogcc.idaho.gov/wp-content/uploads/sites/3/20200925\\_Barlow2-14-SROG-request-to-reverse-denial.pdf](https://ogcc.idaho.gov/wp-content/uploads/sites/3/20200925_Barlow2-14-SROG-request-to-reverse-denial.pdf).

October 20, 2020: The OGCC conducts a hearing on the appeal of IDL’s denial of the APD for the Barlow #2-14 well.

October 26, 2020: The OGCC issues the Final Order to grant the APD to SROG and to issue a Permit to Drill the Barlow #2-14 to the proposed “B” Sand target. OGCC, Barlow #2-14 Final Order, [https://ogcc.idaho.gov/wp-content/uploads/sites/3/20201026\\_FinalOrder-Barlow2-14.pdf](https://ogcc.idaho.gov/wp-content/uploads/sites/3/20201026_FinalOrder-Barlow2-14.pdf).

December 16, 2020: The OGCC files a Notice of Initiation of Contested Case (Docket No. CC-2020-OGR-01-003) to determine whether the Integration Order in Docket No. CC-2016-OGR-01-001 applies to the permitted proposed Barlow #2-14 well.

**B. 2016 Idaho Code Sections Apply to the Orders for Integration in Docket No. CC-2016-OGR-01-001.**

In 1963, the Oil & Gas Conservation Act (“Act”) was adopted into law by the Idaho Legislature. Not much changed within the Act until 2013. Pertinent to this proceeding, in 2016, Idaho Code § 47-322, Integration of tracts—Orders of department, was amended by Senate Bill 1339, effective March 16, 2016. S.B. 1339, 2016 Leg., 63<sup>rd</sup> Legislature, Second Regular Session; *see infra* § B.1. The Application for Integration was filed with IDL on May 18, 2016. The Order was issued on August 5, 2016.

During the first regular session of the 2017 Idaho Legislature, House Bill 301 was passed, which amended most, if not all, sections of the Act. House Bill 301 amended Idaho Code § 47-322 and redesignated it at § 47-320. Also in that First Session, House Bill 64 was passed, which further amended certain sections of the Act. Regardless, the 2016 version of the Act is applicable to the Order because neither House Bill 301 nor House Bill 64 were retroactive legislation.

It is well-settled in Idaho that as a general proposition, legislation operates prospectively, and “[r]etrospective or retroactive legislation is not favored.” *Guzman v. Piercy*, 155 Idaho 928, 937, 318 P.3d 918, 927 (2014) (additional citations omitted). That principle is embodied in Idaho Code § 73-101, which provides that “[n]o part of these compiled laws is retroactive, unless expressly so declared.” I.C. § 73-101. To that end,

“[A] statute should be applied retroactively only if the legislature has clearly expressed that intent or such intent is clearly implied by the language of the statute.” [Citation omitted]. The Legislature does not need to “use the words, ‘this statute is to be deemed retroactive,’” however. [Citation omitted].

[I]t is sufficient if the enacting words are such that the intention to make the law retroactive is clear. In other words, if the language clearly refers to the past as well as to the future, then the intent to make the law retroactive is expressly declared within the meaning of [I.C. § 73-101].

*Guzman*, 155 Idaho at 938, 318 P.3d at 928 (additional citations omitted). Notably, retroactive legislation affects only vested or existing rights- not rights which might exist in the future. *Schoorl v. Lankford*, 161 Idaho 628, 630, 389 P.3d 173, 175 (2017) (citations omitted). The fact that a statute may draw upon facts that existed prior to its enactment does not render it retroactive. *Id.* (citations omitted).<sup>2</sup>

House Bill 301 included an emergency clause, providing that “[a]n emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval, except for the provisions of Section 6, which shall go into effect on July 1, 2017.” H. 301, P. 42, Ll. 1-4, 64<sup>th</sup> Legislature, First Regulation Session (2017). However, an emergency clause, standing alone, is not sufficient to render legislation retroactive. *See In re Jerome County Bd. of Com’rs*, 153 Idaho 298, 317, 281 P.3d 1076, 1095 (2012) (quoting *Jasso v. Camas County*, 151 Idaho 790, 799, 264 P.3d 897, 906 (2011), distinguishing between legislation with an emergency clause and legislation which explicitly provided that it would apply to all cases filed and pending as of a specific date). Therefore, the statutory changes from House Bills 301 and 64 apply to covered actions, including applications filed and related orders entered

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<sup>2</sup> “Idaho law is well established that an applicant’s rights are determined by the ordinance in existence at the time of filing an application for the permit.” *South Fork Coalition v. Board of Com’rs of Bonneville County*, 117 Idaho 857, 792 P.2d 882 (1990).

on and after the 2017 effective dates. The statutory changes do not apply to the Order before the Hearing Officer, as it was entered on August 5, 2016.<sup>3</sup>

Following are complete citations of two Sections of the 2016 Act. By citation to these two Sections, IDL is not suggesting that they are the only statutes that may be applicable to the Hearing Officer's determination of the question presented.

1. Idaho Code § 47-322 (2016). For ease of review, the 2016 statute was, as follows:  
§ 47-322. Integration of tracts—Orders of department

(a) When two (2) or more separately owned tracts are embraced within a spacing unit, or when there are separately owned interests in all or a part of a spacing unit, the interested persons may integrate their tracts or interests for the development and operation of the spacing unit. In the absence of voluntary integration, the department, upon the application of any owner in that proposed spacing unit, shall order integration of all tracts or interests in the spacing unit for drilling of a well or wells, development and operation thereof and for the sharing of production therefrom. 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.

(b) All operations, including, but not limited to, the commencement, drilling, or operation of a well upon any portion of a spacing unit for which an integration order has been entered, shall be deemed for all purposes the conduct of such operations upon each separately owned tract in the spacing unit by the several owners thereof. That portion of the production allocated to a separately owned tract included in a spacing unit shall, when produced, be deemed, for all purposes, to have been actually produced from such tract by a well drilled thereon.

(c) Each such integration order shall authorize the drilling, equipping, and operation, or operation, of a well on the spacing unit; shall designate an operator for the integrated unit; shall prescribe the time and manner in which all the owners in the spacing unit may elect to participate therein; and shall make provision for the payment by all those who elect to participate therein; of the reasonable actual cost thereof, plus a reasonable charge for

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<sup>3</sup> Relatedly, “the extant law of the state is part of every contract with the state of Idaho.” *Fidelity Trust Co. v. State*, 72 Idaho 137, 237 P.2d 1058 (1951). However, the “extant” law is the law existing as of the date of the contract.

supervision and interest. Each such integration order shall provide for the five following options:

(i) Working interest owner. An owner who elects to participate as a working interest owner shall pay the proportionate share of the actual costs of drilling and operating a well allocated to the owner's interest in the spacing unit. Working interest owners who share in the costs of drilling and operating the well are entitled to their respective shares of the production of the well. The operator of the integrated spacing unit and working interest owners shall enter into a joint operating agreement approved by the department in the integration order.

(ii) Nonconsenting working interest owner. An owner who refuses to share in the risk and actual costs of drilling and operating the well, but desires to participate as a working interest owner, is a nonconsenting working interest owner. Nonconsenting working interest owners are entitled to their respective shares of the production of the well, not to exceed one-eighth (1/8) royalty, until the operator of the integrated spacing unit has recovered up to three hundred percent (300%) of the nonconsenting working interest owner's share of the cost of drilling and operating the well under the terms set forth in the integration order. After all the costs have been recovered by the consenting owners in the spacing unit, the nonconsenting owner is entitled to his respective shares of the production of the well, and shall be liable for his pro rata share of costs as if the nonconsenting owner had originally agreed to pay the costs of drilling and operating the well. The operator of the integrated spacing unit and nonconsenting working interest owners shall enter into a joint operating agreement approved by the department in the integration order.

(iii) 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 one-eighth (1/8) royalty. The operator of an integrated spacing unit shall pay a leasing owner the same bonus payment per acre as the operator originally paid to other owners in the spacing unit prior to the issuance of the integration order.

(iv) Objector. If an owner objects to any participation or involvement of any kind in the unit, such owner may elect to be an objector. An objecting owner's interest will be deemed leased under the terms and conditions in the integration order. The owner shall receive one-eighth (1/8) royalty. Provided however, an objecting owner may elect to have any funds to which he would otherwise be entitled transferred to the STEM action center.

(v) Deemed leased. If an owner fails to make an election within the election period set forth in the integration order, such owner's interest will be deemed leased under the terms and conditions in the integration order. The owner shall receive one-eighth (1/8) royalty. The operator of an integrated spacing unit shall pay a leasing owner the same bonus payment per acre as the operator originally paid to other owners in the spacing unit prior to the issuance of the integration order.

If one or more of the owners shall drill, equip, and operate, or operate, or pay the costs of drilling, equipping, and operating, or operating, a well for the benefit of another person as provided for in an order of integration, then such owners or owner shall be entitled to the share of production from the spacing unit accruing to the interest of such other person, exclusive of a royalty not to exceed one-eighth (1/8) of the production, until the market value of such other person's share of the production, exclusive of such royalty, equals the sums payable by or charged to the interest of such other person. If there is a dispute as to the costs of drilling, equipping, or operating a well, the department shall determine such costs. In instances where a well is completed prior to the integration of interests in a spacing unit, the sharing of production shall be from the effective date of the integration, except that, in calculating costs, credit shall be given for the value of the owner's share of any prior production from the well.

(d) An application for an order integrating the tracts or interests in a spacing unit shall substantially contain and be limited to only the following:

- (i) The applicant's name and address;
- (ii) A description of the spacing unit to be integrated;
- (iii) A geologic statement concerning the likely presence of hydrocarbons;
- (iv) A statement that the proposed drill site is leased;
- (v) A statement of the proposed operations for the spacing unit, including the name and address of the proposed operator;
- (vi) A proposed joint operating agreement and a proposed lease form;
- (vii) A list of all uncommitted owners in the spacing unit to be integrated under the application, including names and addresses;
- (viii) An affidavit indicating that at least fifty-five percent (55%) of the mineral interest acres in the spacing unit

support the integration application by leasing or participating as a working interest owner;

(ix) An affidavit stating the highest bonus payment paid to a leased owner in the spacing unit being integrated prior to filing the integration application; and

(x) A resume of efforts documenting the applicant's good faith efforts on at least two (2) separate occasions within a period of time no less than sixty (60) days to inform uncommitted owners of the applicant's intention to develop the mineral resources in the proposed spacing unit and desire to reach an agreement with uncommitted owners in the proposed spacing unit. Provided however, if any owner requests no further contact from the applicant, the applicant will be relieved of further obligation to attempt contact to reach agreement with that owner. At least one (1) contact must be by certified U.S. mail sent to an owner's last known address. If an owner is unknown or cannot be found, the applicant must publish a legal notice of its intention to develop and request that the owner contact the applicant in a newspaper in the county where the proposed spacing unit is located. The resume of efforts should indicate the applicant has made reasonable efforts to reach an agreement with all uncommitted owners in the proposed spacing unit. Reasonable efforts are met by complying with this subsection.

An application shall not be required to be in any particular format. An application shall not be denied or refused for incompleteness if it complies substantially with the foregoing informational requirements.

(e) At the time the integration application is filed with the department, the applicant shall certify that, for uncommitted owners who are unknown or cannot be found, a notice of the application was published in a newspaper in the county where the proposed spacing unit is located. Each published notice shall include notice to the affected uncommitted owner of the opportunity to respond to the application, and the deadline by which a response must be filed with the department.

(f) The information supplied by the applicant pursuant to subsection (d)(vii) of this section and the names and addresses of the uncommitted owners pursuant to subsection (d)(x) of this section shall be deemed trade secrets and kept confidential by the department until the well is producing in the proposed spacing unit, and thereafter shall be subject to disclosure pursuant

to chapter 1, title 74, Idaho Code, provided that the information regarding an uncommitted owner shall be subject to disclosure to that owner.

(g) An application for integration shall be subject to the procedures set forth in section 47–324, Idaho Code.

2. Idaho Code § 47-318 (2016). For ease of review, the 2016 statute was, as follows:

§ 47–318. Definitions

Unless the context otherwise requires, the terms defined in this section shall have the following meaning when used in this act:

- (a) “Commission” means the oil and gas conservation commission.
- (b) “Condensate” means the liquid produced by the condensation of a vapor or gas either after it leaves the reservoir or while still in the reservoir.
- (c) “Correlative rights” means the opportunity of each owner in a pool to produce his just and equitable share of oil and gas in a pool without waste.
- (d) “Department” means the Idaho department of lands.
- (e) “Field” means the general area underlaid by one (1) or more pools.
- (f) “Gas” means any petroleum hydrocarbon existing in the gaseous phase, including condensate because it originally existed in the gaseous phase.
- (g) “Market value” means the price at the time of sale, in cash or on terms reasonably equivalent to cash, for which the oil or gas should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus from either party. The costs of marketing, transporting and processing oil and gas produced shall be borne entirely by the producer, and such cost shall not reduce the producer's tax directly or indirectly.
- (h) “Mineral interest” means the right to explore, drill or produce oil or gas lying beneath the surface of property.
- (i) “Oil” or “crude oil” means petroleum oil and other hydrocarbons, regardless of gravity, that are produced at the well in liquid form by ordinary production methods and are not the result of gas condensation before or after it leaves the reservoir.
- (j) “Oil and gas” means oil or gas or both.
- (k) “Operator” means any duly authorized person who is in charge of the development of a lease, pool, or spacing or unitized area, or the operation of a producing well.

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

(m) "Person" means any natural person, corporation, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary or other representatives of any kind, and includes any government or any political subdivision of any agency thereof. The masculine gender, in referring to a person, includes the feminine and the neuter genders.

(n) "Pool" means an underground reservoir containing a common accumulation of oil or gas or both; each zone of a structure that is completely separated from any other zone in the same structure is a pool.

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

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

(q) "Uncommitted owner" means one who is not leased or otherwise contractually obligated to the operator.

(r) "Waste" as applied to gas shall include the escape, blowing or releasing, directly or indirectly, into the open air of gas from wells productive of gas only, or gas in an excessive or unreasonable amount from wells producing oil or both oil and gas; and the production of gas in quantities or in such manner as will unreasonably reduce reservoir pressure or unreasonably diminish the quantity of oil or gas that might ultimately be produced; excepting gas that is reasonably necessary in the drilling, completing and testing of wells and in furnishing power for the production of wells.

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

(t) The use of the plural includes the singular, and the use of the singular includes the plural.



C. Harmon Field Are, Payette County, Idaho.

