From: Richard Brown

To: <u>Kourtney Romine</u>; <u>Mick Thomas</u>

Cc: <u>"Weiser-Brown" (chrisw@weiser-brown.com)</u>

Subject: RE: Contested Case Hearing-Docket No. CC-2016-OGR-01-001

Date: Friday, March 05, 2021 01:56:08 PM

Attachments: SNAKE RIVER.pdf

Kourtney-my apologies and attached is a signed copy-Richard

From: Richard Brown

Sent: Friday, March 5, 2021 1:51 PM

To: Kourtney Romine < kromine@idl.idaho.gov>; Mick Thomas < mthomas@idl.idaho.gov>

Cc: 'Weiser-Brown' (chrisw@weiser-brown.com) < chrisw@weiser-brown.com>

Subject: RE: Contested Case Hearing-Docket No. CC-2016-OGR-01-001

Kourtney-I just realized we failed to sign it and will send you a signed version in a few minutes-Richard

From: Kourtney Romine < <u>kromine@idl.idaho.gov</u>>

Sent: Friday, March 5, 2021 1:50 PM

To: Richard Brown < richard@weiserbrown.email; Mick Thomas < mthomas@idl.idaho.gov>

Cc: 'Weiser-Brown' (chrisw@weiser-brown.com>

Subject: RE: Contested Case Hearing-Docket No. CC-2016-OGR-01-001

Mr. Brown,

Email and letter received and it will be added to the record.

Sincerely,

Kourtney Romine

Workflow Coordinator kromine@idl.idaho.gov

Idaho Department of Lands 300 N. 6th Street, Suite 103 P.O. Box 83720 Boise, ID 83720-0050

Website: https://ogcc.idaho.gov/
Website: https://ogcc.idaho.gov/

From: Richard Brown < <u>richard@weiserbrown.email</u>>

Sent: Friday, March 05, 2021 01:39 PM

To: Mick Thomas < mthomas@idl.idaho.gov>

Cc: 'Weiser-Brown' (chrisw@weiser-brown.com; Kourtney Romine

<kromine@idl.idaho.gov>; Richard Brown <richard@weiserbrown.email>

Subject: Contested Case Hearing-Docket No. CC-2016-OGR-01-001

Mick-My partner Chris Weiser and I felt compelled to write our own response for the upcoming contested case hearing. Please add the attached letter to the record. If you or Kourtney can confirm receipt by email and that it has been added to the record, we'd be most appreciative. Regards-Richard

Richard Brown, Weiser-Brown Oil Co. Snake River Oil and Gas LLC Cell/Office 713-818-6856 RB-WeiserBrown@comcast.net



Idaho Department Lands 300 N. St, Suite 103 PO Box 83720 Boise, ID 83720

RE: Docket No. CC-2020-OGR-01-003 - Integration Order CC-2016-OGR-01-001 and Barlow #2-14

Dear Director Thomas, Hearing Officer Strawhun and Oil and Gas Commissioners,

Chris Weiser and I are the owners of Snake River Oil and Gas, the operator of the Idaho exploration project and a subsidiary of our parent company Weiser-Brown Oil Company. While our counsel has filed a motion and brief on Snake River's behalf, our frustration with the process compels us to write you today.

Chris and I are both career oil and gas operators with more than 90 years of combined experience. We operate in multiple states and Chris has served on the Arkansas Oil and Gas Commission for more than 25 years.

We are quite concerned by the recent turn of events in regard to our planned development well, the Barlow #2-14. Instead of drilling and producing the Barlow #2-14 during a time of favorable prices, we have continually been delayed and are now defending our rights in a contested case hearing. We find this very troubling. We spend significant time and resources defending ourselves against outsiders whose goal is to shut down our nascent industry. They provide no jobs or goods and services. Instead, they cause substantial and ongoing legal expenses. This is money we would rather use to serve the community and local economy where our project resides. Their actions over the last several years suggest that their goal is to delay and ultimately put us out of business and eliminate an industry that provides jobs, enhances the tax base, and creates income for mineral owners. This pattern is not new. We feel these continuous delays completely violate the Commission's mission statement as defined in the oil and gas act, which is as follows:

"It is declared to be in the public interest to foster, encourage and promote the development, production and utilization of natural resources of oil and gas in the state of Idaho" and "to the end that the landowners, the royalty owners, the producers and the general public may realize and enjoy the greatest possible good from these vital natural resources."

Now to the business at hand, the contested case hearing. Our lease rights and title are being tarnished and we are forced to defend ourselves. The case as posed, is to question whether the 2016 Integration Order of the Barlow spacing unit covers additional wells, specifically the Barlow #2-14. We think the facts are undeniably clear, and as follows:

1. The integration statute provides for integration orders to cover the "well or wells" developed in a unit. Wells is plural and unambiguous. We practice our profession in multiple states and are

- unaware of any state where an integration does not cover additional wells unless the order specifically says so. The 2016 Integration Order never makes mention of limitation to one well.
- 2. The Integration Order allowed integrated parties choices and included the rights to lease via an approved lease form or to participate via an approved operating agreement called a "Joint Operating Agreement" (JOA). Both the approved lease form, and the JOA in the 2016 Integration Order provide for additional wells. In the case of this 2016 integration order, all the integrated parties were "deemed leased" and are subject to the form oil and gas lease. It clearly provides for additional wells.
- 3. The purpose of integration in Idaho and the other 20 plus states where it exists is to promote orderly development and prevent a minority of mineral owners from interfering with the efforts of the majority to realize the benefit of their mineral rights. The Barlow 640-acre unit is an approved spacing unit in which more than 80% of the owners actively supported the initial 2016 application, and continue to support the ongoing development, specifically the drilling of the Barlow #2-14. The "antis" in this case represent a combined 16 acres or less than 3% of the 640-acre unit. In fact, one of the mineral owners named in the opposition is a voluntary lessor. The opposition group appears to be interfering with our existing oil and gas lease. This contested case only encourages that kind of interference. By virtue of their continued delays, they are effectively stifling the enjoyment of the resources of the remaining 97%. Gas prices are almost always higher in the winter due to increased use. Using the recent winter months of December 2020 through February 2021 as example, this delay has cost us and supporting mineral owners more than \$2,000,000 in lost revenue. It should be noted that the state of Idaho is one of the larger supportive mineral owners with roughly 50 acres out of the 640-acre unit. The state is suffering from unrealized royalties, as well as unrealized severance taxes.

We remain very frustrated with this further delay.

Our original drilling application for the Barlow #2-14 was filed in June of 2020. This well should have been drilled and been producing this entire winter. Every additional delay negatively impacts the mineral owners and us. The 2016 Integration Order clearly covers additional wells, and specifically our permitted Barlow #2-14, which we hope to drill as soon as possible.

We trust you will do the right thing and do it expeditiously.

100 //...

Chris Weiser and Richard Brown

Snake River Oil + Gas

Sincere