

From: [s. brock](#)
To: [Kourtney Romine](#)
Subject: Public comment re CC-2020-001-01
Date: Friday, August 14, 2020 05:01:09 PM
Attachments: [my comment re spacing unit 8-14-20.doc](#)

Kourtney -

Please add my comment to the public record regarding the Spacing application by SROG

Shelley Brock
President, Board of Directors - C.A.I.A.
Citizens Allied for Integrity and Accountability
Eagle, Idaho
(208) 559-6127
<http://www.integrityandaccountability.org>

Subject: Docket: CC-2020-OGR-01-001

Date: Friday, August 14, 2020

Idaho Department of Lands

Attn: Mick Thomas

300 N 6th Street

P O Box 83720

Boise, ID 83720

Dear Director Thomas:

Thank you for extending the written comment period by another 24 hours following the evidentiary hearing and public witness testimony yesterday.

I want to reiterate that the proposed 300 acre spacing unit, Docket: CC-2020-OGR-01-001 is not appropriate for the following reasons:

- Maximizing profits for the operator is not the goal here in Idaho and should not be the basis for any decision you are about to render on this application. The goal, at least according to statute, is to protect property rights and correlative rights of all mineral owners.
- We have already seen what happens when property owners are forced to fight to get the money they are owed by oil and gas operators here, and across the nation. The property owners are forced to fight in court, the company files bankruptcy and another company (or partner of the original company in this case), picks up the leases for pennies on the dollar while those property owners are left with nothing.
- The terms “efficiency and economy” in Idaho statute do NOT mean the biggest profits for SROG either; they mean the most cost-effective method of development **for mineral owners**. SROG just wants IDL to focus on the most cost-effective method of using the already drilled Fallon 1-10 well and the spacing unit that makes them the most profits.
- AMI should never have drilled the Fallon 1-10 well. Council for SROG insinuated that the hearing officer should take into account the fact that several million dollars has already been spent to drill the Fallon well. But the fact is that AMI drilled that well to target a producing zone that lies almost directly under the city of Fruitland’s water intake plant. City officials were quoted in a newspaper article as saying they were furious that the county allowed that well to be drilled in what was the worst possible place for it – where it endangered the city’s water intake plant. AMI – who was partners with Snake River Oil & Gas at the time that well was drilled - knew that impacted property owners were challenging the integration order before they ever started drilling, and they took those risks knowing full well it was a gamble.

- During the evidentiary hearing Director Thomas asked if SROG holds leases on all the land covering the entire wellbore. The city of Fruitland had refused to sign a lease with AMI and was included in the integration or forced pooling application that our winning federal lawsuit addressed. I think it's curious that Fruitland city attorney Stephanie Bonny of MSBT Law was in the hearing this am but had no comments whatsoever and didn't even point that out when Mick Thomas asked the question. .
- IDL should not base decisions about property rights on the bad conduct of AMI deciding to drill while a legal challenge was still pending, and you should feel even less obligated to SROG which bought the well for a pittance from the bankruptcy estate of AMI
- The spacing unit should cover ALL of the land underlying the pool, including that outside of it on the east. And what about the folks who signed oil and gas leases with AMI within the original 620 acres? How are their rights being protected? Are they just out of luck? IDL should rule that a single well that can produce from the entire pool should have been drilled, since this is the only way to maximize production and protect the correlative rights of all mineral owners.
- Testimony I heard yesterday, and exhibits submitted, make it clear this is a crap shoot – just the best guess by 'experts' based on estimates they have about where the pool lies and where they should draw the boundaries of who gets paid and who doesn't. They even admit that data is faulty based on the records they submitted that stated "core samples and logs don't match" and "porosity was overestimated". If I'm interpreting that statement correctly that means there's likely even less hydrocarbons down there to recover than they had first estimated and based their drilling permit for the Fallon well on.
- One expert witness testified there is 40% water saturation of sands in this pool. That means massive amounts of waste and produced water will be coming out of that well containing Benzene, Toluene, Xylene, naturally occurring radioactive materials (NORM) and various other hazardous materials, all of which present a risk when they are extracted, hauled and disposed of. All of those chemicals along with methane and other volatile gases could end up in the Fruitland water system and the Payette River itself, if and when, that casing leaks. The industry itself admits that leaks occur in about 6% of wells right when they are drilled; a much higher percentage leak within the next few years and over time virtually ALL hydrocarbon wells no matter how carefully they are regulated and constructed leak.
- James Allen stated reservoir is high porosity and permeability and he estimates they will be able to recover about 48% of the hydrocarbons in that reservoir. But industry stats show that typical gas fields yield between 50% and 80% recovery. So this indicates just what we have been saying for years: that the kind of geology we have here makes it much more difficult and expensive to extract hydrocarbons. Is that dismal rate of oil and gas production worth the risk to Fruitland's water supply and potentially everyone downstream by producing this well where it now sits? What kind of legacy are we leaving for future generations by allowing production of the Fallon 1-10 well, and others that have been drilled so close to the river and this community water system?

- One of the experts said: “It’s difficult to find well placement in Fruitland because of all the new development there. Mr. Christian said AMI had to use directional drilling because surface ownership makes it too hard to drill elsewhere. What does that tell us? It tells me that drilling shouldn’t be taking place in residential areas and on the banks of our rivers! Mr. Christian also said something to the effect that ‘when we are drilling a mile underground we have to deal with conditions the best we can’ and that **“perfect is the enemy of good”**”.
- Well what we have here is neither perfect nor good for anybody except SROG and their 9 out of state partners who stand to profit from producing that well. For the citizens that live near this well and will be directly impacted in various ways it is not even ‘OK’, much less good or perfect.
- For all the taxpayers of Idaho who will be on the hook when things go wrong, as they do far to frequently in this type of heavy industrial business, the risks far outweigh any potential - and as yet unrealized - riches our lawmakers had hoped drilling might bring to royalty owners and the state.

For those reasons I would ask that you deny this application. Thank you

Shelley Brock
President, Board of Directors – CAIA
Citizens Allied for Integrity and Accountability
Eagle, Idaho
208-559-6127