IDAHO DEPARTMENT OF LANDS DIRECTOR'S OFFICE 300 N. 6th Street Suite 103

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IDAHO OIL AND GAS
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December 15, 2022

Nathan Caldwell Snake River Oil and Gas /NWGP Weiser Brown Operating 117 E. Calhoun St. (Box 500) Magnolia, Arkansas 71753 via e-mail: caldwell.nathan@weiser-brown.com via certified mail: 7016 1370 0000 2329 6087

Re: Kauffman #1-9 (USWN 11-075-20027) Well Status

Dear Mr. Caldwell:

Monthly production records submitted by Snake River Oil & Gas, LLC indicates there has been no reported production for the Kauffman #1-9 well, USWN 11-075-20027, Payette County Idaho since October 2018. Inspections and well visits performed by Idaho Department of Lands on September 18, 2019, April 2, 2020, November 27, 2020, November 29, 2021, April 16, 2022, August 4, 2022 and September 29, 2022 indicated that this well was shut-in and not producing at the time of the inspections.

Inactive Well Declaration

Per IDAPA 20.07.02.501.01 the "Department shall declare a well inactive after twenty-four (24) continuous months of inactivity if the owner or operator has not received approval for active status, ..." An inactive well is defined as an "unplugged well that has no reported production, disposal, injection, or other permitted activity for a period of greater than twenty-four (24) continuous months, and for which no extension has been granted." IDAPA 20.07.02.010.27. Based on Snake River's monthly production records and the Department's inspection records, the Department finds that the Kauffman #1-9 well has had no reported production or other permitted activity for greater than 24 months. Additionally, the Department has not received a request for an extension of active status, and thus has not approved any extension. Therefore, the Department hereby declares the Kauffman #1-9 well an inactive well. This letter serves as official notice of the Department's declaration of inactive status by certified mail as provided for in IDAPA 20.07.02.501.01.

You may appeal the Department's decision to the Commission. IDAPA 20.07.02.502.01. Appeals must be filed with the oil and gas administrator within fourteen (14) calendar days of the date of issuance of this decision, which is December 29, 2022. Idaho Code § 47-328(4). Such appeal

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shall include the reasons and authority for the appeal and shall identify any facts in the record supporting the appeal. Idaho Code § 47-328(4).

Plugging and Abandoning Well / Providing Additional Information

Further, IDAPA 20.07.02.501.02 states that "an owner or operator must plug and abandon an inactive well in accordance with Section 502 of these rules within six (6) months of being notified by the Department unless the owner or operator supplies the following information within the six-month time period:

- a. A written request to extend inactive status;
- b. An individual bond, as provided for in Subsection 220.03 of these rules, if the well was covered by a blanket bond; and
- c. A description of how the well is closed to the atmosphere with a swedge and valve, packer or other approved method, and how the well is to be maintained."

Because you have only six months from the date of this letter to plug and abandon this well, please provide the above requested information to the Department within thirty (30) days of the date of this letter. Once the department has received the above requested information, we will notify you within thirty (30) days of a decision to deny the extension of inactive well status, modify the requested extension or approve the request to extend the inactive status for a period not to exceed three (3) years. See IDAPA 20.07.02.501.03.

Application to Convert Well to Active Status

Per IDAPA 20.07.02.501.05, an inactive well can be converted to active status by filing an application with the department. If this well has not had a Mechanical Integrity Test (MIT) performed under the requirements of IDAPA 20.07.02.320.01.c in the past five (5) years, an MIT will be required pursuant to that rule before the well will be declared active.

Thank you very much for your attention to this matter. If you have any questions, please contact me at your earliest convenience.

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Sincerely,

Mick Thomas

Division Administrator

Minerals, Navigable Waters, Oil & Gas

Idaho Department of Lands

ecc: Richard Brown, Snake River Oil & Gas, LLC

Michael Christian, Hardee Piñol & Kracke, PLLC

James Thum, Idaho Dept. of Lands