From: Mick Thomas

To: Randy Kauffman

Cc: Richard Brown; Nate Caldwell; External - Joy M. Vega; Hayden Marotz

Subject: RE: Kauffman 1-9 Inactive Well Status

Date: Thursday, August 24, 2023 05:01:01 PM

Randy and Thana,

The operator is incorrect. At this point the decision to return to active status lies with the Commission.

We have communicated this with the operator consistently since the August 2 letter. Further, the department has shared that there are a series of steps needed to return the well to active status, including placing the well on an individual bond. My understanding is the well would need some restoration involving instrumentation, pad vegetation, etc.

After the August 2 letter, the operator informed the department via phone call and visit that they have a plan to return the well to production. While the communication between the department and operator has been regular, this plan has not been provided to the department.

Statute requires that wells that have not produced for 24 months be plugged and abandoned. You have requested consistently that this statute be enforced regarding your wells. The department has delayed this enforcement due to the potential that a class II well could make the Kauffman 1-9 viable. The operator has indicated that a class II well is still several months to a year out, and is unable to provide a timeline for the class II well. As a result the department has no choice than to move the well to inactive status as required by Idaho statute.

On August 2, 2023 the department informed the operator that their next course of action is an appeal to the Commission. That appeal is tentatively set for 1:00 PM, September 14. Formal notice has not been sent out yet, but is forthcoming. At that time the operator can present it's case to the Commission, who in turn will either accept the departments decision, or overrule the decision. You as the mineral interest owner are welcomed to participate in this special meeting.

The sitework discussed above can move forward before the meeting date on the 14th. Personally, I am sorry for the stress this has caused.

Regards,

Mick Thomas
Division Administrator
Minerals, Navigable Waters, Oil & Gas
Idaho Department of Lands
300 N 6th Street, Ste 103, Boise ID 83702

Office: (208) 334-0298 Mobile: (208) 519-1387 Email: mthomas@idl.idaho.gov

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----Original Message-----

From: Randy Kauffman <rkauffman25@icloud.com>

Sent: Thursday, August 24, 2023 11:51 AM To: Mick Thomas <a href="mailto:mthomas@idl.idaho.gov">mthomas@idl.idaho.gov</a>>

Cc: Richard Brown <richard@weiserbrown.email>; Nate Caldwell <caldwell.nathan@weiser-brown.com> Subject: Kauffman 1-9 Inactive Well Status

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Mr. Thomas,

Richard Brown called us yesterday; and, we also spoke with Nate Caldwell. We discussed our opinion regarding starting operations for production of the 1-9 well as soon as possible. Richard and Nate are of the opinion they can not start operations without your approval. Since they have until January 31, 2024 before they have to plug the well, they have plenty of time to bring the well into production before that date. SROG presented a plan to bring it into production within 30 days.

They have our approval to start operations. However, Nate said they need your approval to start operations. Therefore, we request you give SROG your approval to begin operations. There is no need to change the January 31, 2024 deadline since then the well would be no longer inactive due to production. This would be the simplest and quickest solution.

Please consider our request and respond as soon as possible. We will all benefit by resolving this situation now.

Thank you for your consideration.

Respectfully,

Randy and Thana Kauffman

Sent from my iPhone