From: Joy Vega
To: Randy Kauffman

Cc: Richard Brown; Nate Caldwell; Mike Christian; Mick Thomas; Kourtney Romine

Subject: RE: Kauffman 1-9 Inactive Well Status

Date: Friday, August 25, 2023 12:23:42 PM

Mr. and Mrs. Kauffman,

As the attorney for the Idaho Department of Lands in this particular matter, I am responding to your email on Mr. Thomas' behalf, in part, because he is unavailable until the first full week in September. As Mr. Thomas has explained to you, September 14, 2023, at 1:00 p.m. is tentatively scheduled for a special meeting of the Oil and Gas Conservation Commission that will include a hearing on SROG's appeal of the inactive well status determination. When that meeting date is confirmed, you will receive an email with the notice of the meeting and the meeting agenda, which will include the hearing.

That hearing will be your opportunity to communicate to the Commission regarding the Kauffman 1-9. You can appear in person, via remote means (e.g. telephone or video conference), or you can submit a written position prior to the meeting. Any written position should be submitted through Ms. Kourtney Romine (copied on this email) and will be included in the administrative record for the hearing. Submission of any written statement would ideally be received by Ms. Romine seven business days, or more, before the hearing.

This email chain will be included in the administrative record. However, the Commissioners should not be contacted by you (or SROG or IDL) separately from the hearing. Ex parte correspondence with any Commissioner sitting in their decision-maker capacity is not allowed. Additionally, please refrain from further substantive emails to Mr. Thomas or other IDL employees on the substance of this matter. The best time and place for you to communicate your position will be at the hearing.

If you have questions about the hearing procedure before the Commission or any of your legal rights or positions, you should retain your own attorney at your earliest convenience.

Regards, Joy Vega

Joy M. Vega | Lead Deputy Attorney General State of Idaho | Department of Lands Office of the Attorney General |Energy & Natural Resources Division PO Box 83720, Boise, Idaho 83720-0010 O: 208.334.2400 | D: 208.334.4159 | W: ag.idaho.gov

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----Original Message----

From: Randy Kauffman <rkauffman25@icloud.com>

Sent: Friday, August 25, 2023 11:41 AM

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

Cc: Richard Brown <richard@weiserbrown.email>; Nate Caldwell <caldwell.nathan@weiser-

brown.com>; Joy Vega <joy.vega@ag.idaho.gov>; Hayden Marotz

<Hayden.Marotz@ag.idaho.gov>

Subject: Re: Kauffman 1-9 Inactive Well Status

Mr. Thomas,

Thank you for your quick response. It is our understanding as well that restorative action is required on the 1-9 well to replace equipment which was removed from the well site during non production, including work required at the LW station. Thank you for clarifying this work can proceed before the September 14 meeting. We had limited communication with Richard concerning restoration, and he indicated to us those things can be accomplished before the September 14 meeting.

Regarding the class Il injection well, we were assured at the time the permit was issued last December by Richard that his engineers were ready to hit the ground running; and, that the project would be completed in 6 months. But, as you have indicated there is now no timeline.

If SROG indeed does complete the work necessary on the 1-9 well site and LW station, and is ready to execute their plan to bring the 1-9 well into production, we would request the Commission keep the January 31, 2024 deadline and modify (IDAPA 20.07.02.501.05) the order to allow SROG to conduct operations to bring the 1-9 well into production. If the attempt is successful, then there would be no problem declaring the well active due to production. However, if SROG is unable to bring the 1-9 well into production, then the well should be plugged and abandoned by January 31, 2024. We strongly object to any further delays. This allows for a fair and reasonable solution.

Please share our communications with the Commission. Also, if possible may we have email addresses for each Commissioner so we may include them in future communications?

Respectfully,

Randy and Thana Kauffman

Sent from my iPhone

> On Aug 24, 2023, at 5:00 PM, Mick Thomas <mthomas@idl.idaho.gov> wrote:

> Randy and Thana,

>

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

Commission.

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> 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.

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> 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.

> > I

> 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
- > https://www.idl.idaho.gov
- > https://www.ogcc.idaho.gov

> >

>

- > -----Original Message-----
- > From: Randy Kauffman < rkauffman 25@icloud.com>
- > Sent: Thursday, August 24, 2023 11:51 AM
- > To: Mick Thomas <mthomas@idl.idaho.gov>
- > Cc: Richard Brown <richard@weiserbrown.email>; Nate Caldwell

<caldwell.nathan@weiser-brown.com> > Subject: Kauffman 1-9 Inactive Well Status > CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns. > 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

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> Sent from my iPhone