

IDAHO DEPARTMENT OF LANDS
DIRECTOR'S OFFICE
300 N. 6th Street Suite 103
PO Box 83720
Boise, ID 83720-0050
Phone (208) 334-0200
Fax (208) 334-5342



IDAHO OIL AND GAS
CONSERVATION COMMISSION
Betty Coppersmith, Chair
Ray Hinchcliff, Vice Chair
Margaret Chipman
Marc Haws
Jennifer Riebe

January 31, 2024

Michael Christian
Hardee, Pinol & Kracke, PLLC
1487 S David Lane
Boise, ID 83705

via e-mail: mike@hpk.law

Re: Kauffman # 1-9 (USWN 11-075-20027) Request for Extension of Inactive Status

Dear Mr. Christian:

The Idaho Department of Lands (the Department) received your January 29, 2024, request to extend inactive status for the Kauffman #1-9 well (USWN 11-075-20027) (Kauffman #1-9) operated by Snake River Oil & Gas, LLC (SROG) in the state of Idaho. This request is to allow for additional workover operations to attempt to restore production in the LT completion.

Extension of Inactive Status

Per IDAPA 20.07.02.501.03, "[t]he Department shall review the request [to extend inactive status] for approval, modification or denial[.]" A request for extension of inactive status must also be accompanied by (i) an individual well bond, (ii) "a description of how the well is closed to the atmosphere" using an approved method, and (iii) a description of "how the well is to be maintained." IDAPA 20.07.02.501.02(a)-(c).

Having reviewed SROG's request for extension, the description of how the well is currently closed to the atmosphere, the description of the proposed gas lift workover for the well, and \$150,000 individual bond currently posted for Kauffman #1-9, the Department will approve SROG's request for extension of inactive status. Accordingly, Kauffman #1-9 will remain in inactive status for 90 days, until **May 1, 2024**. Additionally, the proposed gas lift workover for Kauffman #1-9 is approved.

SROG may appeal the Department's decision to the Oil and Gas Conservation Commission (OGCC). 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. Idaho Code § 47-328(4). Accordingly, any appeal must be filed by **February 14, 2024**. Such appeal 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).

Subsequent Operations

The Order issued by the OGCC dated September 19, 2023, relating to Kauffman #1-9 remains in effect. Under that Order, operations at Kauffman #1-9 may continue subject to the following conditions:

1. While the well remains in inactive status, SROG may conduct operations, including the proposed workover on Kauffman #1-9 to determine if production can be re-established from the LT completion.
2. Production and sales of hydrocarbons may not occur until SROG files a request to the Department for the well to be returned to active status, and the Department grants the request.

If the gas lift procedure is successful, we are aware that it may not be best to shut-in the well once completed. Knowing that timing is critical for allowing the sales of production from the well, and to facilitate the quick return of Kauffman #1-9 to active status, the Department requests the following process for SROG's request to return the well to active status:

1. Once the workover operation is complete, SROG must file a completion report with the Department. A copy of the Well Completion Form can be found on the OGCC web page here: <https://ogcc.idaho.gov/wp-content/uploads/2017/12/IDLOGD0021.01-Well-Completion-Recompletion-Well-Report-12.17-PTS-form.pdf> Page 2, Detail of Formations Penetrated does not need filled out with previous formation information. Note under the description section, "Workover only – no revisions."
2. SROG must file a Sundry Notice with the Well Completion Form attached to request that the well be returned to Active status. A copy of the Sundry Notice can be found on the OGCC web page here: https://ogcc.idaho.gov/wp-content/uploads/IDLOGD0075_SundryNotice_11.2020-form.pdf Under Type of Submission, check "Notice of Intent." Under Type of Action, check "Production (Start/Resume)." Under the Description section, a brief summary of the operation is sufficient along with a request to return the well to active status.

The Department will make every effort to review the request as quickly as possible so the well can be returned to production with minimal disruption.

If production cannot be re-established in the LT completion by May 1, 2024, SROG must plug and abandon Kauffman #1-9 per the requirements of IDAPA 20.07.02.502. Further, the

Michael Christian
January 31, 2024
Page 3

well pad reclamation must be completed per the requirements in IDAPA 20.07.02.510. Ideally, such reclamation should be completed by July 1, 2024.

Should you have any questions, please contact me at 208-334-0243.

Sincerely,

A handwritten signature in black ink that reads "James Thum". The signature is written in a cursive style with a large, looped initial "J".

James Thum
Oil & Gas Program Manager
Minerals, Navigable Waters, Oil & Gas
Idaho Department of Lands

ecc: Chris Weiser, Snake River Oil & Gas, LLC: chrisw@weiser-brown.com
Richard Brown, Snake River Oil & Gas, LLC: richard@weiserbrown.email
Nathan Caldwell, SROG and NWGP: caldwell.nathan@weiser-brown.com
Randy and Thana Kauffman: rkauffman25@icloud.com