

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

February 22, 2024

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

via e-mail: mike@hpk.law

Re: ML Investments # 1-11 (USWN 11-075-20025) Request for Extension of Inactive Status

Dear Mr. Christian:

The Idaho Department of Lands (the Department) received your February 8, 2024, request to extend inactive status for the ML Investments #1-11 well (USWN 11-075-20025) (ML #1-11) operated by Snake River Oil & Gas, LLC (SROG) in the state of Idaho. The stated purpose for the request is to allow for possible recompletion operations in the upper lobe of Sand 1, which occurs between 4130 feet and 4195 feet measured depth, and for the potential use of the ML #1-11 as a monitoring well for Class II injection operations on the DJS Properties #2-14 well. The request seeks an extension of inactive status between 180 to 360 days from the current February 15, 2024, plug and abandon deadline.

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 potential for producing additional hydrocarbons from the upper lobe of Sand 1, the designation of this well as a monitoring well for Class II injection operations under EPA permit number ID-2D001-A, and \$150,000 individual bond currently posted for the ML #1-11, the Department will approve SROG's request for extension of inactive status. Accordingly, the ML #1-11 will remain in inactive status until **December 19, 2024.**

This amounts to an extension of 308 days from the current plug and abandon deadline, slightly less than the high-end extension length requested. The Department concludes that this

extension will allow SROG an adequate amount of time to attempt recompletion operations in the upper lobe of Sand 1. Likewise, the new plug and abandon deadline of December 19, 2024, coincides with the expiration deadline for EPA permit number ID-2D001-A. If that permit expires, there will no longer be a need to utilize ML #1-11 as monitoring well, so an extension past December 19, 2024, is not warranted at this time.¹

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 **March 7, 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 Department dated August 15, 2023, relating to the ML #1-11 remains in effect. Under that Order, operations at the ML #1-11 may continue subject to the following conditions:

1. While the well remains in inactive status, SROG may conduct operations, including the proposed recompletion on the ML #1-11 to determine if production can be established from the upper lobe of Sand 1.
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 recompletion procedure is successful, the Department requests the following process for SROG's request to return the well to active status to commence production:

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."

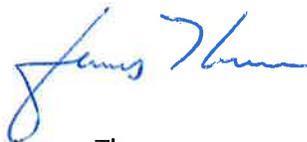
¹ If SROG obtains an extension of EPA permit number ID-2D001-A, this Order will not preclude SROG from filing a subsequent request for an extension of inactive status with the Department.

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.
3. A copy of a successful Mechanical Integrity Test (MIT) as described in IDAPA 20.07.02.302 – Mechanical Integrity Testing on the seven-inch production casing must be filed with the Department. A successful MIT test is defined as a pressure drop no greater than ten percent over thirty minutes.

If the workover/recompletion is not successful in establishing production from the upper lobe of Sand 1, SROG must plug and abandon the ML #1-11 per the requirements of IDAPA 20.07.02.502 by December 19, 2024, unless a request to extend Inactive status of the well is filed with the Department prior to that date. Further, the well pad reclamation must be completed per the requirements in IDAPA 20.07.02.510. Ideally, such reclamation should be completed by June 15, 2025.

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

Sincerely,



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

ecc: Richard Brown, Snake River Oil & Gas, LLC: richard@weiserbrown.email
Nathan Caldwell, SROG and NWGP: caldwell.nathan@weiser-brown.com