

Idaho Department of Lands

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Working Lands, Trusted Stewards

**Idaho Oil and Gas
Conservation Commission**

Ray Hinchcliff, Chair
Jennifer Riebe, Vice Chair
Marg Chipman
Marc Haws
Shannon Chollett, Secretary

December 20, 2024

Michael Christian
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via email: mike@hpk.law

Sent Certified Mail – Return Receipt Requested –7016 1370 0000 2329 1594

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

Dear Mr. Christian:

The purpose of this letter is to provide notice that Snake River Oil & Gas LLC (“SROG”) may be in violation of inactive well status notification requirements pursuant to IDAPA 20.07.02.501.

Background

On August 15, 2023, Idaho Department of Lands (“the Department”) notified SROG that the ML Investments #1-11, USWN 11-075-20025 was declared inactive after 24 consecutive months with no reported production as prescribed in IDAPA 20.07.02.501.01. SROG was asked to respond to the notice within thirty (30) days or plug the well within six (6) months (February 15, 2024).

On February 8, 2024, SROG requested to extend inactive status beyond the February 15, 2024 deadline to plug and abandon the ML Investments #1-11. The reasons cited for extending the deadline were 1) to allow for testing of the upper Willow Sand (“Sand 1”) for potential production; 2) evaluation of the well for possible use in future gas storage operations, and 3) the conditions of the EPA Class II injection permit number ID-2D001-A to use the ML Investments #1-11 as a monitoring well. On February 15, 2024, the Department received Surety Bond #651381 in the amount of \$150,000 to cover the ML Investments #1-11 under an individual well bond as required under IDAPA 20.07.02.501.02.b.

On February 22, 2024, the Department granted an extension of inactive status until December 19, 2024, allowing SROG 308 days to test and evaluate the well. The date of December 19, 2024 was selected to coincide with the expiration date of EPA Class II injection permit ID-2D001-A for the DJS Properties #2-14, and to provide sufficient time for recompletion operations. The order conditioned that if the recompletion attempt for Sand 1 was unsuccessful, the ML Investments #1-11 must be plugged and abandoned by this date. Further, the conditions of the extension did not preclude SROG from filing for an extension of inactive status if SROG obtained a construction permit for EPA Class II injection permit ID-2D001-A.

On September 6, 2024, SROG informed the Department that on August 19, 2024, they had applied to EPA for an extension of Permit ID-2D001-A. On August 30, 2024, EPA region 10

granted the request for an extension until December 19, 2026, two years from the initial deadline. SROG provided a copy of the extension letter from EPA Region 10 to the Department on September 10, 2024.

Status

The conditions of the Order dated February 22, 2024, require that "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." As of December 20, 2024, the Department has not received a Sundry Notice for the workover requested, and no Well Completion report for the recompletion has been filed with the Department as required under Idaho Code § 47-324(2). The Department has not received a Well Plugging and Abandonment Report from SROG as required under Idaho Code § 47-324(5) and IDAPA 20.07.02.502.06. The Department has not received a request from SROG to extend the plugging deadline for the ML Investments #1-11 as required under IDAPA 20.07.02.501.02.a, and thus has not approved any extension. Therefore, SROG may be in violation of sections of Idaho Code § 47-324 and IDAPA 20.07.02.501 and 502.

Plugging and Abandoning Well / Providing Additional Information

SROG is required to plug and abandon the ML Investments #1-11, USWN 11-075-20025 within thirty (30) days (**January 20, 2025**) of the date of this notice pursuant to IDAPA 20.07.02.502. Further, SROG is required to file a Report of Well Plugging and Abandonment with the Department as required under Idaho Code § 47-324(5) and IDAPA 20.07.02.502.06 within thirty (30) days of completion of plugging operations.

Alternatively, SROG may file a request for extension of inactive status with the Department within thirty (30) days (**January 20, 2025**) of the date of this letter pursuant to IDAPA 20.07.02.501.02.a. The request for extension must be accompanied by 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. A successful MIT test is defined as a pressure drop no greater than ten percent over thirty minutes.

Please contact me immediately at 208-334-0298 to discuss resolution. Failure to respond within thirty (30) days may result in further action by the Department as authorized by Idaho Code. I look forward to speaking with you.

Sincerely,



Shannon Chollett
Division Administrator
Minerals, Navigable Waters, Oil & Gas

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