

**BEFORE THE IDAHO DEPARTMENT OF
LANDS**

In the Matter of the Application of Cascade Exploration, LLC for an Order establishing a Spacing Unit consisting of 40 net acres on lands situated in Section 26, Township 5 North, Range 4 West, Canyon County Idaho.

Agency Case No. CC-2025-OGR-01-004

**FINAL ORDER ESTABLISHING A
SPACING UNIT**

PROCEDURAL BACKGROUND

On July 25, 2025, Cascade Exploration, LLC (“Cascade”) filed an application requesting a spacing order (“Application”) for a proposed 40-acre unit situated in Section 26, Township 5 North, Range 4 West, Canyon County, Idaho (“Proposed Spacing Unit”). On August 15, 2025, IDL referred the matter to the Office of Administrative Hearings (“OAH”) to conduct a public hearing and issue a recommended order. OAH appointed Administrative Law Judge Scott Zanzig as the hearing officer.

On August 26, 2025, Hearing Officer Zanzig held a scheduling conference, wherein representatives from Cascade and IDL appeared via Zoom. Following the scheduling conference, Hearing Officer Zanzig issued a Scheduling Order setting prehearing deadlines and scheduling the public hearing on the Application for September 29, 2025.

On September 15, 2025 the Parties submitted prehearing statements and witness and exhibit lists. Cascade submitted Exhibits CE-01 through CE-03, and IDL submitted exhibits IDL-01 and IDL-02.

On September 18, 2025, Applicant requested the Administrator to decide the matter on the merits without a public hearing as no objections or responses were received within 14 days prior to the hearing, pursuant to I.C. § 47-328(3)(b). The matter was withdrawn from OAH on September 19, 2025.

As the Administrator of IDL’s oil and gas regulatory program, it is my responsibility to render a decision pursuant to I.C. § 47-328(3)(d) based on the record reviewed in the context of

my personal expertise gained through education, training and experience. I relied on the entire record for this matter. Set forth below are my findings of fact and conclusions of law. For the reasons stated below, Applicant's request for an order establishing a spacing unit is **APPROVED**, subject to the conditions stated in the Order below.

FINDINGS OF FACT

1. On July 25, 2025, Cascade filed an Application for a 40-acre spacing unit located in Section 26, Township 5 North, Range 4 West, Canyon County, Idaho, for a stratigraphic test well to explore for the presence of hydrogen. CE-01.

2. The Application included: a legal description and plat map of the Proposed Spacing Unit; a list of mineral interest owners; a declaration from Bronson Barrett describing Cascade's ownership interest in the Proposed Spacing Unit; and a declaration from drilling engineer, Heather Bader, describing Cascade's plan for a stratigraphic test well in the Proposed Spacing Unit. *Id.*

3. Marchbanks Properties is the fee simple owner of all 40 acres comprising the Proposed Spacing Unit. CE-01, Ex. C, Barrett Decl.

4. As a result of a lease with Marchbanks Properties, Cascade is the sole working mineral interest owner in all 40 acres comprising the Proposed Spacing Unit. *Id.*

5. There are no uncommitted owners within the Proposed Spacing Unit.

6. On July 25, 2025, Cascade sent Canyon County a copy of the Application by certified mail. CE-02;

7. No objections were filed in opposition to the Application, and IDL received no written public comments regarding the Application.

8. The Application seeks permission to test for hydrogen gas.

9. The Application seeks an order establishing an amended spacing unit for exploratory testing only.

10. The stratigraphic test well will neither produce, nor waste, oil or gas and only collect geological information. CE- 01 (Bader Decl.)

11. Drilling a stratigraphic test well is an accepted method used in the oil and gas industry to determine the existence and extent of a prospective pool of gas.

12. IDL has thoroughly vetted the Application, proposed and received Cascade's assent to several conditions, and recommends the Application be granted subject to certain conditions.

13. No other person or entity has opposed the Application.

CONCLUSIONS OF LAW

I. The Administrator has jurisdiction over this matter.

1. The Idaho Oil and Gas Conservation Act, I.C. §§ 47-306 through 336 (“Act”) applies to matters affecting oil and gas development on lands in the state of Idaho. I.C. § 47-313.

2. The Act and the Rules Governing Conservation of Oil and Natural Gas in the State of Idaho (IDAPA 20.07.02) govern this proceeding.

3. Cascade seeks permission to drill an exploratory stratigraphic well for hydrogen gas. The Act gives IDL the authority to establish spacing units “for oil and gas wells” and does not specifically address hydrogen exploration or stratigraphic wells. I.C. § 47-317(1).

4. While hydrogen is a “gas” as that term is generally defined, the Act defines “gas” more restrictively:

"Gas" means natural gas, which is a mixture of hydrocarbons and varying quantities of non-hydrocarbons that exist either in the gaseous phase or in solution with crude oil in natural underground reservoirs.

I.C. § 47-310(14).

5. Pure hydrogen is considered a non-hydrocarbon gas, however, natural reservoirs may contain trace quantities of hydrocarbons.

6. Nevertheless, both Cascade and IDL assert that the Act should apply to exploratory drilling for hydrogen because obtaining critical geologic data from the test well now will prevent waste and unnecessary “wildcat” wells in the future, serving the statute’s goal of preventing unnecessary drilling. Bader Decl., p. 6.

7. In addition to hydrogen, the test well may encounter “natural gas” which is actively being developed in the area. Id.

8. No other person or entity offered objection or comment to the contrary, and the Administrator concludes that the Act and the Rules Governing Conservation of Oil and Natural Gas in the State of Idaho govern Cascade’s Application.

9. The Commission is “authorized to make and enforce rules, regulations, and orders reasonably necessary to prevent waste, protect correlative rights, to govern the practice and procedure before the commission, and otherwise to administer [the Act].” I.C. § 47-315(8). IDL is

the administrative instrumentality of the Commission, and the Administrator has authority over these proceedings pursuant to I.C. §§ 47-314(7), -317, and -328(3).

II. Cascade bears the burden of proof.

1. Cascade bears the burden of proof in this matter. IDAPA 62.01.01.477.
2. Under Idaho law, “preponderance of the evidence” is generally the applicable standard for administrative proceedings, unless the Idaho Supreme Court or legislature has said otherwise. *N. Frontiers, Inc. v. State ex rel. Cade*, 129 Idaho 437, 439, 926 P.2d 213, 215 (Ct. App. 1996). “A preponderance of the evidence means that when weighing all of the evidence in the record, the evidence on which the finder of fact relies is more probably true than not.” *Oxley v. Medicine Rock Specialties, Inc.*, 139 Idaho 476, 481 80 P.3d 1077, 1082 (2003).
3. A court shall affirm an agency’s action unless the decision is “not supported by substantial evidence on the record as a whole; or [the decision] is arbitrary, capricious, or an abuse of discretion.” I.C. § 67-5279(3)(d)-(e).

III. Cascade provided adequate notice pursuant to I.C. § 47-328.

1. Idaho Code § 47-328(3)(b) sets forth the applicable notice requirements. Section 47-328(3)(b) requires that the applicant give notice to “all known and located uncommitted mineral interest owners, all working interest owners within the proposed spacing unit, and the respective city or county where the proposed unit it located.”
2. Cascade provided evidence that it notified Canyon County through certified mail. CE-02.
3. There are no uncommitted or working interest owners other than Cascade within the Proposed Spacing Unit.
4. Cascade has satisfied the notice requirements.

IV. The Proposed Spacing Unit meets the statutory requirements of I.C. § 47-317.

1. Idaho Code § 47-317(1) grants IDL the power to “issue an order establishing spacing units on a statewide basis, or for defined areas within the state, or for oil and gas wells drilled to varying depths,” “to prevent or assist in preventing the waste of oil and gas, to avoid drilling unnecessary wells or to protect correlative rights.”
2. Section 47-317(2) provides that:
 - a. a spacing unit order “shall specify the location, size, and shape of the unit, which, in the opinion of [IDL], shall result in the efficient and economical

development of the pool as a whole”;

- b. spacing “units established by [IDL] shall be geographic. The geographic boundary of the unit shall be described in accordance with the public land survey system”; and
- c. “[IDL] shall issue an order establishing a spacing unit or units to determine the area that can be efficiently and economically drained by one (1) well for the orderly development of the pool.”

3. Idaho Code § 47-317 allows an operator to request an amendment in the size, shape, or location of a spacing unit that is larger or smaller than 640 acres for gas. I.C. § 47-317(4)(b).

4. Drilling Engineer Heather Bartlett has over 20 years of experience in the oil and gas industries, specializing in drilling engineering and well planning for exploratory projects. Ms. Bartlett provided ample technical information commonly relied on in the industry to support her position that a stratigraphic test well will provide data to allow for efficient and economical use of the resource without unnecessary future drilling.

5. The request for an amended 40-acre spacing unit instead of the standard 640 acres will maximize efficient recovery by one well. Stratigraphic test wells only drain rock that it physically contacts during coring and logging, negating the requirement for a 640-acre unit.

6. James Thum IDL Oil & Gas Program Manager thoroughly reviewed the Application and Ms. Bartlett’s testimony and agrees that a stratigraphic well within an amended spacing unit will provide critical geographic information and reduce the need for multiple wildcat wells, and to efficiently collect and utilize a hydrogen resource as a whole.

7. Cascade has satisfied its burden of proving that its application for a Proposed Spacing Unit, as amended by the stipulated conditions, satisfies the requirements of the Act and the Rules Governing Conservation of Oil and Natural Gas in the State of Idaho (IDAPA 20.07.02).

ORDER

Based on the foregoing findings of fact and conclusions of law, pursuant to Idaho Code §§ 47-317 and 328, the Proposed Spacing Unit in Docket No. CC-2025-OGR-01-004 is **GRANTED** subject to the following conditions:

- 1. This order approving the spacing unit shall allow for only one well within the unit.
- 2. The spacing unit shall consist of a 40 acre unit at SE1/4NE1/4 of Section 26,

Township 5 North, Range 4 West, Canyon County, Idaho, as depicted on **Exhibit A**.

3. Setbacks shall be 330 feet from the closest exterior geographic boundary of the unit as described in IC 47-317(3)(a)(i).

4. Beyond geographic data collection as allowed in IDAPA 20.07.02.413, no production activities will be permitted from the stratigraphic test well.

5. The spacing unit will expire 90 days after final plugging and reclamation has been completed, inspected, and approved by IDL.

Pursuant to Idaho Code § 47-328(3)(e), this Order shall not be subject to any motion to reconsider or further review, except for appeal to the Idaho Oil and Gas Commission. Applicant or any owner who filed an objection or other timely response to the application may file an appeal to the Commission within fourteen (14) calendar days of the date of this Order.

An appeal must include the reasons and authority for the appeal, and shall identify any facts in the record supporting the appeal. Appellant must provide Administrator with proof of service of appeal materials on other persons as required in I.C. § 47-328.

If no appeal is filed with the Commission within the required time, this Order shall become a Final Order pursuant to I.C. § 47-328(6).

IT IS SO ORDERED.

DATED this 30th day of September, 2025.



Shannon Chollett
Oil and Gas Division Administrator

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of September, 2025, I caused to be served a true and correct copy of the foregoing by the following method to:

Cascade Exploration, LLC
Bronson Barrett
Lauren Morahan

☐ U.S. Mail
☒ Email: bbarrett@koloma.com

James Thum
Idaho Department of Lands

☐ U.S. Mail
☒ Email: jthum@idl.idaho.gov

John Richards
Kayleen Richter
Idaho Department of Lands

☐ U.S. Mail
☒ Email: jrichards@idl.idaho.gov
krichter@idl.idaho.gov

Andrew Irvine
Stoel Rives, LLP

☐ U.S. Mail
☒ Email: Andrew.irvine@stoel.com

James Thum
Idaho Department of Lands

☐ U.S. Mail, postage prepaid
☒ Email: jthum@idl.idaho.gov

Kourtney Romine
Kayla Dawson
Idaho Department of Lands

☐ U.S. Mail, postage prepaid
☒ Email: kromine@idl.idaho.gov
kdawson@idl.idaho.gov

Scott Zanzig
OAH

☐ U.S. Mail, postage prepaid
☒ Email: scott.zanzig@oah.idaho.gov
filings@oah.idaho.gov



J.J. Winters
Attorney, Idaho Department of Lands

EXHIBIT A

Agency Case No. CC-2025-OGR-01-004
OAH Case No. 25-320-OG-03
Idaho Department of Lands Exhibit IDL-01

SE1/4 NE 1/4
T5N R4W Section 26
Canyon County,
+/- 40 Ac

I-84

Notus

Enrose

Caldwell

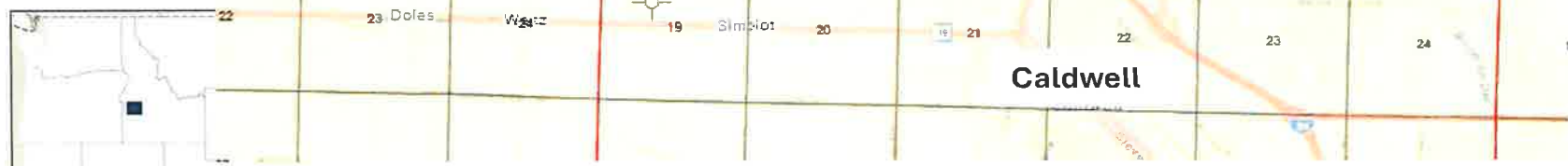
2025 Proposed Seismic
Canyon and Payette Counties, ID

7/31/2025

- Dry Hole
- PBA/Gas Well
- Not Drilled/APD Submitted
- Not Drilled / Expired/Cancelled
- FW-13 Cascade Exploration Proposed Seismic
- Gas Gathering Line
- Spacing/Drilling Request
- Processing Plant
- BLM Subsurface Ownership
- State Mineral Estate
- County Boundary



Index Map



Map Explanation

Map Note: and Data Sources:
Oil and Gas Well data from IGS and IOG.

Disclaimer:
This map has been prepared using the best information available to the Idaho Department of Lands at the time of the map and may be updated and revised without notice. It is provided as a guide only and is not intended to be used for any purpose other than the one for which it was prepared. The user assumes full responsibility for the accuracy of the map and the underlying data sources.