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BEFORE THE IDAHO DEPARTMENT OF LANDS

In the Matter of the Application of Snake River Oil and Gas, LLC, for an Order Integrating Unleased Mineral Interest Owners in the Spacing Unit Consisting of the SE ¼ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22, Township 8 North, Range 5 West, Payette County, Idaho.	AGENCY Case No. CC-2025-OGR-01-005 OAH Case No. 25-320-OG-04 **CLOSING STATEMENT** **PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

In this proceeding, Snake River Oil and Gas, LLC ("SROG" or "Applicant") has applied to integrate all uncommitted mineral interest owners in the approximately 400-acre spacing unit consisting of the SE ¼ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22, Township 8 North, Range 5 West, Payette County, Idaho. The following uncommitted mineral interest owners in the unit object to the application: Julie Fugate, Darleen Walker, Sharon Harmon, Doris Craig, Larry Morris, Charlene Gomez, and John Sandquist ("Objectors").[1]

BACKGROUND

On December 17, 2025, Hearing Officer Zanzig held a public evidentiary hearing on this application that was followed by the presentation of in-person public comment. The Hearing Officer recorded the meeting, which is available to review on the Idaho Oil and Gas Conservation

[1] Citizens Allied for Integrity and Accountability, Inc. ("CAIA") also filed an objection to the application by and through counsel James Piotrowski. However, on December 15, 2025, the Hearing Officer entered an *Order Granting Unopposed Motion to Determine CAIA is Not a Party*. Live Dkt. 44. In the order, the Hearing Officer noted that CAIA is not an "uncommitted owner" as required by Idaho Code § 47-328(3)(b) to become an objecting party. *Id.* As such, the Hearing Officer concluded that "CAIA is not a party but may participate in the public hearing as a public witness under IDAPA 62.01.01.207." *Id.*

Commission's ("OGCC") website for this matter: https://ogcc.idaho.gov/administrative-hearings/docket-no-cc-2025-ogr-01-005/. Live Dkt. 050.

The Applicant, Objectors, and IDL all appeared represented by counsel. The Applicant called two witnesses: Richard Brown (manager of SROG) and Wade Moore III, (landman for SROG). Objectors recalled Richard Brown as their only witness. All witnesses were sworn and subject to cross-examination by all parties. When the evidentiary portion of the hearing concluded earlier than anticipated around 1:00 p.m., the Hearing Officer opened the proceeding for public comment to allow the then-assembled public to give public comment if they wished. Eight (8) people commented during the early public comment opportunity:

1. Charles Otte
2. Poppy Enos
3. Darleen Walker
4. Joey Ishida
5. Shelley Brock, President of Citizens Allied for Integrity and Accountability, Inc. ("CAIA")
6. Stuart Grimes, Fruitland City Administrator
7. Brenda Ishida
8. Mike Gomez

Of the above, only Poppy Enos (Tract 32: Leased), Darleen Walker (Tract 18: Refused), the City of Fruitland (Tracts 122, 135: Refused), and Mike Gomez (Tract 328: Unleased Objector) are mineral interest owners in the unit at issue.[2]

The Hearing Officer reopened public comment at 5:00 pm as originally scheduled. Ten (10) people commented at 5:00 p.m.:

1. Julie Fugate
2. Stuart Reitz
3. Shannon Crawford
4. Mel Person
5. John Sandquist
6. Stuart Grimes, Fruitland City Administrator
7. Shawna Pierson
8. Duke Fugate
9. Shelley Brock, President of CAIA
10. Sue Bixby

Of the above, only Julie Fugate (Tract 71: Refused Objector), Shannon Crawford (Tract 30: Refused), John Sandquist (Tract 63: Refused Objector), City of Fruitland (Tracts 122, 135: Refused),

[2] The tract numbers and lease statuses are gathered from the list of owners/resume of efforts in Exhibit B to the Application, which are also reflected by the plat attached as Exhibit A to the Application. SR-01 at p. SR-011 – SR-059.

and Duke Fugate (Tract 71: Refused) are mineral interest owners in the unit at issue. Note that Shelley Brock, President of CAIA, and Stuart Grimes, Fruitland City Administrator, spoke at both the early public comment opportunity and the regularly scheduled opportunity. Therefore, there were sixteen (16) total people who gave in-person public comment on December 17, 2025.

At the conclusion of the in-person public comment, the Hearing Officer indicated that a written public comment period would be held open until December 24, 2025. The Hearing Officer also directed the parties to file any written closing arguments and proposed findings of fact and conclusions of law by December 31, 2025.

For ease of reference, the table below identifies the written public comment received on this application and its location in the record:

	Name	**Record**	**Bates No.**	**Tract # / Status**
1.	Shane DeForest	Live Dkt. 026	W.BARLOW-PC0001	150 / Refused
2.	Charles Otte	Live Dkt. 045	W.BARLOW-PC0002	Not in unit
3.	Cookie Atkins	Live Dkt. 046	W.BARLOW-PC0003 – 0004	Not in unit
4.	Constance/Connie Fortin	Live Dkt. 047	W.BARLOW-PC0005 – 0008	303, 306 / Refused
5.	Rachel Heather Holtry	Live Dkt. 048	W.BARLOW-PC0009	Not in unit
6.	Julie Fugate	Live Dkt. 049	W.BARLOW-PC0010 – 0022	71 / Refused, Objector
7.	Barry Carlman	Live Dkt. 051	W.BARLOW-PC0023	Not in unit
8.	Shelley Brock, CAIA	Live Dkt. 052	W.BARLOW-PC0024 – 0032	Not in unit
9.	Shelley Brock, CAIA	Live Dkt. 053	W.BARLOW-PC0033 – 0042	Not in unit
10.	Stuart Reitz	Live Dkt. 054	W.BARLOW-PC0043 – 0045	Not in unit
11.	Terri Person	Live Dkt. 055	W.BARLOW-PC0046	Not in unit
12.	Julia Rose	Live Dkt. 056	W.BARLOW-PC0047	Not in unit
13.	Sherry Gordon	Live Dkt. 056	W.BARLOW-PC0048	Not in unit
14.	Tiffiany Robb	Live Dkt. 056	W.BARLOW-PC0049 – 0050	40, 41 / Refused
15.	Dana and Jordan Gross	Live Dkt. 056	W.BARLOW-PC0051	Not in unit
16.	Brenda and Joey Ishida	Live Dkt. 056	W.BARLOW-PC0052 – 0053	Not in unit
17.	Shelley Brock, CAIA	Live Dkt. 056	W.BARLOW-PC0054 – 0056	Not in unit
18.	Marcee Rynearson	Live Dkt. 056	W.BARLOW-PC0057 – 0058	Not in unit
19.	Julie Fugate	Live Dkt. 056	W.BARLOW-PC0059	71 / Refused, Objector
20.	Shelley Brock, CAIA	Live Dkt. 057	W.BARLOW-PC0060 – 0065	Not in unit
21.	Shelley Brock, CAIA	Live Dkt. 058	W.BARLOW-PC0066 – 0073	Not in unit
22.	Shelley Brock, CAIA	Live Dkt. 059	W.BARLOW-PC0074 – 0090	Not in unit
23.	Shelley Brock, CAIA	Live Dkt. 060	W.BARLOW-PC0091 – 302	Not in unit
24.	City of Fruitland	Live Dkt. 061	Not stamped	122, 135 / Refused

Overwhelmingly, the comments received on this application express concerns with the placement and/or drilling of an oil and gas well. Integration is entirely independent from well placement or drilling operations. If a unit is integrated it is not inevitable that an operator will apply for a permit to drill a well (nor is it inevitable that IDL would issue a permit if an operator applied).

Should an operator apply for a permit to drill an oil and gas well, IDL will post the application to its website for a ten-day (10) written public comment period. IDAPA 20.07.02.040. Regardless, this proceeding is solely to determine whether SROG has met its burden to show that it has met all the statutory requirements to trigger IDL's statutory obligation to issue an integration order pursuant to Idaho Code §§ 47-320 and 47-328.

CLOSING STATEMENT

In IDL's prehearing statement, IDL explained that unless relevant conflicting evidence or testimony is presented at the evidentiary hearing, IDL's position was that SROG's application for the entry of an integration order should be granted. Live Dkt. 040 at 7. Further, IDL stated that the record in its entirety presented sufficient evidence for the Hearing Officer/Administrator to find and conclude that SROG has met the necessary statutory conditions triggering the requirement for IDL to issue an integration order. *Id.* After considering the evidence presented at hearing and reviewing the public comments, IDL maintains this position.

In IDL's prehearing statement, IDL also raised a few matters for SROG to address at hearing should it choose to do so. First, IDL suggested that SROG may wish to clarify the leasing status of mineral interest owner Shane DeForest at Tract 150. Live Dkt. 040 at 2 – 3. SROG explained in its prehearing statement that Mr. DeForest's lease expired in 2022, which is why the resume of efforts notes that SROG made multiple efforts to lease Mr. DeForest without success. Live Dkt. 030 at 7.

Second, IDL noted having reservations on whether SROG had sufficiently shown the mineral interest owners would receive the highest bonus payment per acre because of the lack of information regarding the large acreage mineral interest owner leased at greater than 1/8 royalty. Live Dkt. 040 at 9. In response, at hearing Richard Brown, manager of SROG, testified that SROG had not paid any lessor in the unit more than $150 per acre as a leasing bonus. Live Dkt. 050 at 11:13:08 a.m..

Third, IDL recognized that SROG intended to compensate mineral interest owners with a bonus of $150.00 per net mineral acre, however IDL sought clarification regarding how SROG intended to compensate any mineral interest owner in the unit who owns less than one (1) acre. In response, at hearing Counsel for SROG asked Mr. Brown whether, in acquiring leases for small tracts

under an acre, SROG paid a flat rate such as $150 per lot or whether SROG paid a pro rata amount based on the size of the tract. Mr. Brown testified that he thought SROG paid some on a pro rata basis and some a flat fee of $150 per lot. Live Dkt. 050 at 11:13:30 a.m..

IDL is satisfied with SROG's clarifying responses to the first and second matters. As to the third, IDL recommends that the integration order require SROG to compensate mineral interest owners in the unit with a flat $150.00 bonus for property less than one (1) acre and with a bonus of $150.00 per net mineral acre for property an acre or greater.

City of Fruitland Comments

The City of Fruitland is an uncommitted mineral interest owner in the unit that refused to lease SROG the mineral rights to Tracts 122 and 135. Prior to filing the integration application, SROG contacted the City of Fruitland via certified mail on September 15, 2025. Exhibit SR-02 at p. SR-190. After SROG applied for integration, SROG sent a copy of the application and supporting documents to the City of Fruitland via certified mail on October 6, 2025. Exhibit SR-03a at p. SR-235. Fruitland City Council Meeting Minutes from October 27, 2025, show that Fruitland City Counsel considered and rejected SROG's offer to lease the mineral rights to "1.648 acres of City owned property".[3]

FRUITLAND CITY COUNCIL
MEETING MINUTES
October 27, 2025

15. Snake River Oil & Gas Lease Request: Council reviewed a lease offer from Snake River Oil & Gas, LLC proposing an oil and gas lease for 1.648 acres of City-owned property located in Township 8 North, Range 5 West, Section 15, Payette County.

The proposal includes a four-year primary term with a signing bonus of $150 per acre ($247.20 total) and a 1/8 royalty on marketable oil and gas for the life of any producing well. The offer also provides an option to extend the lease for three years at the same rate and includes a no surface use provision.

Council Decision: Councilor Pierson moved to deny the lease request. Seconded by Councilor Limbaugh. **Motion carried.**

The City of Fruitland did not object to SROG's integration application, did not participate in the contested case proceeding nor move to intervene, and did not call any witnesses nor present any evidence prior to the conclusion of the evidentiary hearing. Nevertheless, after the evidentiary

[3] IDL suspects that in this offer SROG was requesting to lease Tract 135, which its resume of efforts indicates is 1.486 net acres. One can review the Fruitland City Council minutes online by meeting date here: https://www.fruitland.org/council-minutes.

hearing closed and the Hearing Officer opened the proceedings to hear comments from the public on SROG's integration application, the Fruitland City Administrator, Stuart Grimes, commented on behalf of the city. Mr. Grimes provided comments during both the early public comment opportunity and the regularly scheduled public comment opportunity. When the in-person public comment opportunities concluded, the Hearing Officer expressed to the assembled public that the public would be permitted to submit any additional comments on the application until December 24, 2025. Mr. Grimes contacted counsel for IDL on December 18, 2025 asking "If the City of Fruitland has any additional information or comments, who should we send those to?" Undersigned counsel responded as follows, in relevant part:

> Excellent question. Any additional information or comments that you would like to be included in the record and considered by the Hearing Officer (and ultimately IDL's Oil and Gas Division Administrator) should be **sent to the Office of Administrative Hearings** (OAH) **email filings@oah.idaho.gov regarding OAH Case No. 25-320-OG-04 or IDL Case No. CC-2025-OGR-01-005**. The deadline to submit public comment is **December 24, 2025**.
>
> Upon receipt, OAH will distribute the comments to the parties. IDL will then post them on the hearing website. IDL has updated the hearing website to include the above information for ease of reference for the public. If folks reach out to you, would you be willing to direct them to the hearing website?
>
> Thank you again to the City of Fruitland for allowing OAH to hear this application at city hall. It is important to IDL to hold these hearings in the community potentially impacted by an application to hopefully maximize public and local government participation. IDL appreciates your thoughtful comments and those from the public. As you know, you all are the experts on your community, and your input is essential to the full consideration of an application.

(emphasis in original). The language regarding the deadline to submit public comment and where it should be sent is also posted on the OGCC hearing website for this matter. On December 22, 2025, Mr. Grimes contacted Mr. James Thum, IDL Oil & Gas Program Manager, regarding submitting additional comments from the city. Mr. Thum responded with a follow up email that Mr. Grimes excerpted in his December 31, 2025 email responding to SROG's *Motion to Exclude*. Mr. Grimes' excerpt omits that Mr. Thum copied IDL counsel on the email as well as included OAH's service email address. To ensure the record is complete and accurate, below is the email in its entirety.

Docket No. CC-2025-OGR-01-005

James Thum
To Stuart Grimes
Cc Kayleen Richter

Reply | Reply All | Forward

Mon 12/22/2025 4:29 PM

Stuart,

Thank you for the phone call today regarding the above docket. As of this afternoon the recording of the evidentiary hearing and subsequent public hearing have been posted to youtube: https://www.youtube.com/watch?v=9ZQ6uABmeBQ

When submitting your comments to the Hearing Officer, please CC the following legal representatives for this docket:

Office of Administrative Hearings (OAH): filings@oah.idaho.gov
Kayleen Richter – IDL: krichter@idl.idaho.gov
Michael Christian – SROG, applicant: mike@hpk.law
James Piotrowski – Mineral interest objectors: james@idunionlaw.com

If you have additional questions please reach out to me or Kayleen at any time.

Sincerely,

James Thum
Oil & Gas Program Manager
Idaho Department of Lands
300 N. 6th Street, Suite 103
Boise, Idaho 83702
Direct: (208) 334-0243
Mobile: (208) 912-5014
https://ogcc.idaho.gov/

At all times, IDL expressed to Mr. Grimes that if the City of Fruitland wanted to submit any additional information or comments on the application, it would be due by the written public comment deadline. At all times, IDL considered Fruitland's potential "additional information or comments" to be written public comment (and included in the record as such) since the evidentiary portion of the hearing had closed. At no time did IDL express an opinion regarding the validity, appropriateness, timeliness, or merits of the City of Fruitland's additional information.

Regardless of whether the Hearing Officer grants SROG's *Motion to Exclude*, IDL recommends that the Hearing Officer and the Administrator consider the City of Fruitland's comments as unrebutted public comments, not substantive evidence, and thus give them the appropriate weight. Further, as SROG notes in footnote one to the *Motion to Exclude*, even if the City of Fruitland's post-hearing comments are considered as substantive evidence, SROG nevertheless will have exceeded the 55% consent threshold required by Idaho Code § 47-320(6)(a). Accordingly, IDL recommends that the integration order require that any royalties be placed into escrow until the ownership dispute is resolved.

FINDINGS OF FACT

1. On September 29, 2025, SROG filed an Application to integrate all uncommitted mineral interest owners in the spacing unit consisting of the SE ¼ of Section 15, the E ½ of the SW ¼ of Section 15, and the NE ¼ of Section 22, Township 8 North, Range 5 West, Payette County, Idaho. The unit proposed to be integrated is 400 acres.

2. Prior to filing, on September 17, 2025, SROG caused the Argus Observer to publish a notice of intent to develop the hydrocarbon mineral resources in the unit area and a request to negotiate with mineral owners. Exhibit SR-01 at p. SR-127. SROG also caused the Argus Observer to publish a notice of intent to file the Application on September 24, 2025. Live Dkt. 11.

3. Post-filing, on October 1, 2025, SROG caused the Argus Observer to publish notice of the Application to all uncommitted mineral interest owners including unknown or unlocatable mineral interest owners and their heirs or successors. Exhibit SR-04.

4. The Argus Observer is a newspaper of general circulation in Payette County, Idaho.

5. On or about September 3, 2025, September 14, 2025, and October 6, 2025, SROG sent a copy of the Application and notice of hearing date and deadlines to all known and locatable uncommitted owners by certified mail. Exhibit SR-02, SR-03a, SR-03b, SR-03c.

6. SROG's application requested that IDL publish notice on its website within seven (7) calendar days of its filing. Exhibit SR-01 at p. SR-009.

7. On October 10, 2025, IDL acknowledged receipt of SROG's Application and requested additional information regarding the addresses of noticed parties and copies of the certified mail receipts. Between September 29, 2025, and October 20, 2025 SROG provided IDL with copies of its pre-filing certified mailing receipts, its mailing list for post-filing mailing, its post-filing certified mailing receipts, and a post-filing affidavit of publication to unlocatable mineral owners.

8. On October 30, 2025, Citizens Allied for Integrity and Accountability, Inc. ("CAIA"), Julie Fugate, Darleen Walker, Sharon Harmon, Doris Craig, Larry Morris, Charlene Gomez, and John Sandquist filed their objections to the Integration Application through counsel James M. Piotrowski.

9. CAIA does not own property within the spacing unit, lease any mineral interest in the spacing unit, and is not a party to this proceeding. *Order Determining that CAIA is Not a Party.*

10. No other formal objection or response to the Application by an uncommitted mineral owner was filed with OAH or the Department by the deadline of December 3, 2025.

11. SROG is the applicant and proposed Operator of the unit ("Operator"). SROG's address as provided on the Application is:

Snake River Oil and Gas, LLC
P.O. Box 500
Magnolia, AR 71754-0500

12. The Application contains a geologic statement regarding the likely presence of hydrocarbons in the spacing unit, which was established in the proceedings in Docket No. CC-2025-OGR-01-002, OAH Case No. 25-320-OG-01.

13. The proposed drill site is in the SE ¼ of Section 15 and is leased from Mary Ann Miller Trust as stated in the Declaration of Richard Brown, attached as Exhibit C to the Application.

14. The Application contains a statement of proposed operations for the spacing unit, identifying Snake River Oil and Gas, LLC as the Operator.

15. The Application contains a proposed Joint Operating Agreement ("JOA"), based on a standard industry form as Exhibit D to the Application.

16. The Application contains a list of the names and addresses of proposed uncommitted mineral interest owners to be integrated in Exhibit B to the Application, which identifies owners by tract numbers corresponding with the component parcels of the spacing unit as depicted by the plat attached as Exhibit A to the Application.

17. The Application contains a Declaration of Richard Brown, attached to the Application as Exhibit C, which states that at the time of filing the Application SROG had support from more than 55% of the mineral interest acres in the spacing unit, including SROG as an owner by virtue of its status as a mineral lessee within the unit. *See also* SR-01 at p. SR-059 (totaling net leased acres at time of application at 244.423 acres of 400.010 total acres or 61.11%).

18. Some mineral interest owners listed in Exhibit B to the Application signed leases after SROG filed the Application and are no longer uncommitted owners. Accordingly, at hearing SROG

provided an updated owner list/resume of efforts as Exhibit SR-05 and updated spacing unit maps as Exhibit SR-06.

19. At the time of hearing, SROG's updated owner list/resume of efforts indicated that SROG had support from 61.91% of the mineral interest acres in the spacing unit. SR-05 at p. SR-305 (totaling net leased acres at time of hearing at 247.654 acres of 400.010 total acres).

20. The Declaration of Richard Brown, Exhibit C to the Application, reports that the highest bonus payment paid to lease mineral interest owners in the subject spacing unit prior to filing the Application was $150.00 per net mineral acre and that only one owner in the unit is leased at greater than 1/8 royalty.

21. The Application contains a resume of efforts documenting the Applicant's good faith efforts by landmen working in the subject spacing unit including Richard Brown, Chris Matthews, Travis Boney, Wade Moore III, Butch Clancy, and Rodney May to contact and reach an agreement with uncommitted owners on at least two separate occasions within a period of no less than sixty (60) days attached to the Application as Exhibit B; certified mailing receipts provided to IDL included in the record as Exhibits SR-02, SR-03a, SR-03b, SR-03c, and SR-04; and a copy of the form letter mailed by the landmen to uncommitted mineral owners attached to the Application as Exhibit E. The letter and the evidence of mailing show that SROG attempted to give actual prior notice to each of the uncommitted mineral interest owners at their last known address of SROG's intent to develop the mineral resources in the spacing unit and a desire to reach an agreement with that owner. Unknown or unlocatable mineral interest owners in the unit were noticed by publication in the Argus Observer newspaper twice as evidenced by Exhibit G to the Application.

22. The Application contains proposed terms of integration reflecting the options for participation in the spacing unit. The Application describes three participatory options whereby a mineral interest owner could either: 1) become a working interest owner and bear their proportionate share of the cost of drilling and operating a well, entitling them to receive their respective shares of the production of the well as provided in a joint operating agreement; 2) become a nonconsenting working interest owner as provided in a joint operating agreement and ultimately receive their

proportionate share of the revenue from the well as a carried interest, after incurring up to a 300% risk penalty; and 3) become a mineral interest owner failing to make an election in response to the notice of the integration, in which case they shall receive the base entitlement and be deemed to have elected to accept a bonus of $150.00 per net mineral acre as compensation in lieu of the right to participate in the working interest in said unit with a 1/8th royalty interest attributable to their net mineral acreage.

CONCLUSIONS OF LAW

1. The Idaho Oil and Gas Conservation Act ("the Act"), the Idaho Oil and Gas Conservation Commission ("OGCC"), through IDL as its administrative instrumentality, has the authority and duty to "regulate the exploration for and production of oil and gas, to prevent waste of oil and gas, [and] to protect correlative rights." I.C. §§ 47-314(6), 47-315(1).

2. Prevention of waste is paramount under the Act. I.C. § 47-315(1). As it relates to gas production, waste is defined as "production of gas in quantities or in such manner as will unreasonably reduce reservoir pressure or unreasonably diminish the quantity of oil and gas that might ultimately be produced[.]" I.C. § 47-310(36)(a).

3. A correlative right is defined as "the opportunity of each owner in a pool to produce his just and equitable share of oil and gas in a pool without waste." I.C. § 47-310(8).

4. The Act requires IDL to regulate oil and gas development "in such a manner as to avoid the drilling of unnecessary wells or incurring unnecessary expense and in a manner that allows all operators and royalty owners a fair and just opportunity for production and the right to recover, receive and enjoy the benefits of oil and gas… while also protecting the rights of surface owners." I.C. § 47-315(2).

5. Ordering the integration of tracts or mineral interests within a spacing unit is an integral component of oil and gas regulation. I.C. § 47-320. Integration allows separate tract or mineral interest owners within a unit to participate in the risks and rewards of the development and production of a pool. *Id.*

6. "'Forced integration' … is the remedy that permits development of the drilling unit in

the event that the mineral-interest owners cannot agree to pool voluntarily." *Gawenis v. Arkansas Oil & Gas Commission*, 464 S.W.3d 453, (Ark. 2015) (citation omitted).

7. The state's integration procedures "constitute a proper exercise of its police power" … to protect "property rights by requiring a just, orderly, and efficient process for neighbors to extract common resources." *Kerns v. Chesapeake Exploration, L.L.C.*, 762 Fed. Appx. 289, 297 (6th Cir. 2019) (citations omitted).

8. "Each landowner's property interest in the minerals remains intact; it is simply regulated." *Kerns v. Chesapeake Exploration, L.L.C.*, 762 Fed. Appx. 289, 297 (6th Cir. 2019) (citations omitted).

9. Therefore, IDL must enable the development of hydrocarbon resources, protect and enforce the property rights of owners and producers; and, in doing so, prevent the waste of hydrocarbon resources. I.C. §§ 47-311, 47-312.

10. In the absence of voluntary integration, the department, upon the application of any owner in that proposed spacing unit, shall order integration of all tracts or interests in the spacing unit for drilling of a well or wells, for development and operation thereof and for the sharing of production therefrom. The department, as a part of the order establishing a spacing unit, may prescribe the terms and conditions upon which the royalty interests in the unit shall, in the absence of voluntary agreement, be deemed to be integrated without the necessity of a subsequent separate order integrating the royalty interests. Each such integration order shall be upon the just and reasonable terms and conditions set forth in this section. I.C. § 47-320(1).

11. The "terms and conditions set forth in this section" include providing mineral interest owners with three options for participating in the drilling, equipping and/or operation of a well on the spacing unit: (1) as a working interest owner, (2) as a nonconsenting working interest owner, or (3) the base entitlement. I.C. § 47-320(3).

12. Idaho Code § 47-320(4) also delineates the requirements for the contents of an application for an integration order, limiting the application to substantially containing the following:

(a) The applicant's name and address;

(b) A description of the spacing unit to be integrated;

(c) A geologic statement concerning the likely presence of hydrocarbons;

(d) A statement that the proposed drill site is leased;

(e) A statement of the proposed operations for the spacing unit, including the name and address of the proposed operator;

(f) A proposed joint operating agreement;

(g) A list of all uncommitted owners in the spacing unit to be integrated under the application, including names and addresses;

(h) An affidavit indicating that at least sixty-seven percent (67%) of the mineral interest acres in the spacing unit support the integration application by leasing or participating as a working interest owner;

(i) An affidavit stating the highest bonus payment paid to a leased owner in the spacing unit being integrated prior to filing the integration application; and

(j) A resume of efforts documenting the applicant's good faith efforts on at least two (2) separate occasions within a period of time no less than sixty (60) days to inform uncommitted owners of the applicant's intention to develop the mineral resources in the proposed spacing unit and desire to reach an agreement with uncommitted owners in the proposed spacing unit. Provided however, if any owner requests no further contact from the applicant, the applicant will be relieved of further obligation to attempt contact to reach agreement with that owner. At least one (1) contact must be by certified U.S. mail sent to an owner's last known address. If an owner is unknown or cannot be found, the applicant must publish a legal notice of its intention to develop and request that the owner contact the applicant in a newspaper of general circulation in the county where the proposed spacing unit is located. The resume of efforts should indicate the applicant has made reasonable efforts to reach an agreement with all uncommitted owners in the proposed spacing unit. Reasonable efforts are met by complying with this subsection.

13. If an operator cannot show that it has the consent of, or has obtained leases from, at least sixty-seven percent (67%) of the mineral interest acres per Idaho Code § 47-320(4)(h), an operator may still apply for an integration order if the operator meets certain additional conditions.

14. Idaho Code § 47-320(6) states:

> An operator who has not been able to obtain consent from sixty-seven percent (67%) of the mineral interest acres in the spacing unit may nevertheless apply for an integration order under this section if all of the conditions set forth in this subsection have been met. The department shall issue an integration order, which shall affect only the unit area described in the application, if it finds that the operator has met all of the following conditions:
>
> (a) The operator has obtained consent from at least fifty-five percent (55%) of mineral interest acres;
>
> (b) The operator has negotiated diligently and in good faith for a period of at least one hundred twenty (120) days prior to his application for an integration order; and
>
> (c) The uncommitted owners in the affected unit shall receive from the operator mineral lease terms and conditions that are no less favorable to the lessee than those set forth in section 47-331(2), Idaho Code.

I.C. § 47-320(6) (emphasis added).

15. Idaho Code § 47-331(2) obligates a lessee to make royalty payments of no less than

twelve and one-half percent (12.5%) of the oil and gas liquids "produced and saved" and requires royalty be due on "all production sold from the leased premises except on that consumed for the direct operation of the producing wells and that lost through no fault of the lessee." I.C. § 47-331(2).

16. Finally, Idaho Code § 47-320 sets forth the effective term of an integration order is five (5) years, clarifies that the entry of an integration order does not restrict a mineral interest owner from pursuing certain damages claims against the operator, and provides that the procedures set forth in Idaho Code § 47-328 govern applications for integration, as outlined in section II.A. above. I.C. §§ 47-320(7), 47-320(8), 47-320(9).

17. Based on the substantial evidence within the record and Application, the Administrator concludes that the Application clearly and substantially complies with all statutory elements of Idaho Code §§ 47-320 and 47-328.

18. Based on substantial evidence in the record and the Application, the Administrator concludes that it is appropriate to integrate the uncommitted mineral interest owners named by Applicant for the development and operation of the unit.

19. The alternatives for the uncommitted mineral owners to participate in the unit are just and reasonable as they comply with the requirements set forth in Idaho Code § 47-320.

20. The Applicant's proposed joint operating agreement ("JOA") is based on a standard industry form as recommended by Idaho Code § 47-320(3)(a). Accordingly, the JOA contains reasonable terms to govern the relationship between the Applicant and uncommitted mineral interest owners who elect to become a working interest owner, elect to become a nonconsenting working interest owner, or fail to make an election. SROG has also demonstrated that any amendments to the standard form are not prejudicial to working interest owners.

21. SROG shall be entitled to recover from the interest of any nonconsenting working interest owner three hundred percent (300%) of the nonconsenting working interest owner's share of the cost of drilling and operating the well pursuant to Idaho Code § 47-320(3)(b).

ORDER FOR INTEGRATION

For the reasons stated above, pursuant to Idaho Code §§ 47-320, 47-328, 47-331 and based on

the evidence in the record, the Administrator **HEREBY GRANTS** the Application for Integration in Docket No. CC-2025-OGR-01-005 according to the terms and conditions set forth in Idaho Code § 47-320 as modified by any terms and conditions herein.

1. All separate tracts within the spacing units are HEREBY INTEGRATED for the purpose of drilling, developing, and operating a well in the spacing unit, and for the sharing of all production therefrom from the spacing unit, in accordance with the terms and conditions of this Order.
2. Snake River Oil and Gas, LLC is the designated operator of the well to be drilled in the spacing unit, and has the has the exclusive right to drill, equip, and operate the well within the spacing unit.
3. Operations on any portion of the spacing unit will be deemed for all purposes the conduct of operations upon each separately owned tract in the spacing unit.
4. Production allocated or applicable to a separately owned tract included in the spacing unit shall, when produced, be deemed for all purposes to have been produced from that tract by a well drilled on that tract.
5. IT IS HEREBY ORDERED that from and after this date, all production from the spacing unit be integrated and allocated among the interest owners therein according to the proportion that each mineral interest owners' net mineral acreage bears to the total mineral acreage of the spacing unit. All royalty interest in the spacing unit shall, in the absence of any voluntary agreement, be deemed to be integrated as of the date of the above-captioned Order for Integration without the necessity of any subsequent separate order.
6. ALL UNCOMMITTED OWNERS IN THE SPACING UNIT ARE HEREBY NOTIFIED that they have thirty (30) days from and after the date of the issuance of this Order to make known to the operator, Snake River Oil and Gas, LLC, which of the following options they select for participation in the integrated spacing unit. This selection shall be made in writing, and addressed to:

   Snake River Oil and Gas, LLC
   P.O. Box 500
   Magnolia, AR 71754-0500

Uncommitted mineral interest owners may either choose to participate as a working interest owner, a non-consenting working interest owner, or be compensated according to the base entitlement.

7. Failure to notify the operator, Snake River Oil and Gas, LLC, within thirty (30) days of this Order shall result in that owner's interest being deemed leased.
8. Consistent with Idaho Code § 47-320(3), the available participatory options are:
    a. Participate as a working interest owner and pay the proportionate share of the actual costs of drilling and operating a well allocated to the owner's interest in the spacing unit. Working interest owners who share in the costs of drilling and operating the well are entitled to their respective shares of the production of the well. The Operator of the integrated spacing unit and working interest owners shall enter into the joint operating agreement approved in this Order.
    b. Participate as a nonconsenting working interest owner, who refuses to share in the risk and actual costs of drilling and operating the well, but desires to participate as a working interest owner. The operator of the integrated spacing unit shall be entitled to recover a risk penalty of up to three hundred percent (300%) of the nonconsenting working interest owner's share of the cost of drilling and operating the well under the terms set forth in the integration order. After all the costs have been recovered by the consenting owners in the spacing unit, the nonconsenting owner is entitled to his respective shares of the production of the well and shall be liable for his pro rata share of costs as if the nonconsenting owner had originally agreed to pay the costs of drilling and operating the well. The Operator of the integrated spacing unit and nonconsenting working interest owners shall enter into the joint operating agreement approved in this Order.
    c. If an owner fails to make an election within the thirty (30) days set forth in this Order, such owner will be compensated according to the base entitlement. The owner shall receive a 1/8th royalty of any gas, oil, or natural gas liquids produced attributable to

their net mineral acreage. The owner shall also receive a bonus of $150.00 per net mineral acre. Royalty payments shall comply with the terms of Idaho Code § 47-331. The Operator shall avoid, to the maximum extent possible, any use of surface lands belonging to owners integrated under this subsection. Where such use cannot be reasonably avoided, use of surface lands, and compensation for such use, shall be governed by Idaho Code § 47-334. The Operator shall comply with the requirements of Idaho Code §§ 47-319, 47-332, 47-333, and 47-334.

9. As provided in Idaho Code § 47-331:
    a. The Operator shall make payments in legal tender unless written instructions for payment in kind have been provided.
    b. Royalty shall be due on all production sold from the leased premises except on that consumed for the direct operation of the producing wells and that lost through no fault of the operator.
    c. If the Operator fails to pay oil and gas royalties to the royalty owner or the owner's assignee within 120 days after the first production of oil and gas under the lease is marketed, or within 60 days for all oil and 90 days for all gas produced and marketed thereafter, the unpaid royalties shall bear interest at the maximum rate of interest authorized under Idaho Code § 28-22-104(1) from the date due until paid. Provided, however, that whenever the aggregate amount of royalties due to a royalty owner for a 12-month period is less than $100, the Operator may remit the royalties on an annual basis without any interest due.
    d. A royalty owner seeking a remedy for failure to make payments under the lease or seeking payments under this section may file a complaint with the commission or may bring an action in the district court pursuant to Idaho Code § 47-333. The prevailing party in any proceeding brought under this section is entitled to recover court costs and reasonable attorney's fees.
    e. This section does not apply if a royalty owner or the owner's assignee has elected to

take the owner's or assignee's proportionate share of production in kind or if there is a dispute as to the title of the minerals or entitlement to royalties, the outcome of which would affect distribution of royalty payments.

10. As provided in Idaho Code § 47-332, each royalty payment shall be accompanied by an oil and gas royalty check stub that includes the following information:
    a. Lease or well identification;
    b. Month and year of sales included in the payment;
    c. Total volumes of oil, condensate, natural gas liquids or other liquids sold in barrels or gallons, and gas in MCF;
    d. Price per barrel, gallon, or MCF, including British thermal unit adjustment of gas sold;
    e. Severance taxes attributable to said interest;
    f. Net value of total sales attributed to such payment after deduction of severance taxes;
    g. Owner's interest in the well, expressed as a decimal to eight (8) places;
    h. Royalty owner's share of the total value of sales attributed to the payment before any deductions;
    i. Royalty owner's share of the sales value attributed to the payment, less the owner's share of the severance taxes;
    j. An itemized list of any other deductions; and
    k. An address at which additional information pertaining to the royalty owner's interest in production may be obtained and questions may be answered. If information is requested by certified mail, an answer must be mailed by certified mail within thirty (30) days of receipt of the request.
11. The Operator must maintain, for a period of five (5) years, and make available to the owners upon request, copies of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of the amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records that the integrated owners

may require to verify the gross production, disposition and market value.

12. As provided in Idaho Code § 47-333, whenever an owner of a royalty interest makes a written demand for an accounting of the oil and gas produced, but no more frequently than once every twenty-four (24) months, and makes written demand for delivery or payment of his royalty as may then be due upon the person or persons obligated for the delivery or payment of the royalty, and the obligated persons then fail to make the accounting demanded and the payment or delivery of the royalty due within a period of ninety (90) days following the date upon which the demand is made, then the royalty owner may file an action in the district court of the county wherein the lands are located to compel the accounting demanded and to recover the payment or delivery of the royalty due against the person or persons obligated. In such an action, the prevailing party shall be entitled to reasonable attorney's fees to be allowed by the court, together with the costs allowed to a prevailing party, pursuant to I.C.§ 12-120.
13. The operator shall avoid, to the maximum extent possible, any use of surface lands belonging to owners integrated under this subsection. Where such use cannot be reasonably avoided, use of surface lands, and compensation for such use, shall be governed by section 47-334, Idaho Code.
14. This integration order shall be in effect for a term of five (5) years and as long thereafter as oil and gas operations are being conducted by the operator, unless extended by the department upon application of the operator. Any application to amend or extend an integration order shall comply with the notice requirements of Idaho Code § 47-328(3)(b). For purposes of such notice, all parties receiving the base entitlement shall be considered uncommitted owners.
15. Nothing in this Order alters any duty of care owed to uncommitted mineral interest owners and their property, and nothing in this Order shall be interpreted to relieve the operator of any such duty or to shift to uncommitted mineral interest owners any risk of injury arising from or related to any violation of law, environmental damage, injury to real property, personal injury,

negligence, or nuisance by the operator.

16. The entry of an integration order does not inhibit the right of mineral interest owners to pursue claims against the operator for damages to person, property, or water rights.
17. Proceeds attributable to production for unknown or unlocatable owners shall be paid into an interest-bearing account administered by a third party, escrow agent, or similar fiduciary; and shall be available for release for payment if the appropriate party is located.
18. This Order is applicable to any successor or assign of all parties subject to the order, except that this Order is only applicable to any successor or assign of the Operator when the current Operator files a notice with the Administrator and obtains Administrator approval for the transfer.
19. This order will automatically terminate one (1) year following cessation of drilling operations if no production is established or two (2) years from the cessation of production from the unit.

DATED this 31st day of December 2025.

IDAHO DEPARTMENT OF LANDS

Kayleen R. Richter
Attorney for Idaho Department of Lands

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of December 2025, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to the following:

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Applicant Snake River

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