

# Fruitland denies leasing agreement for its mineral rights

City earned \$100K in royalties from Snake River Oil and Gas in 2022

- By Corey Evan and Leslie Thompson Independent-Enterprise

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**FRUITLAND** — At its regular meeting Monday evening, the Fruitland City Council reviewed a request from Snake River Oil and Gas for a leasing agreement pertaining to mineral rights owned by the city. The two small parcels of land involved in the request serve as sites for an elevated water tank and a ground storage tank, according to City Administrator Stuart Grimes.

In its Dec. 14 proposal, as obtained by the newspaper on Thursday, independent petroleum landmen Travis Boney and Wade Moore proposed a four-year primary term with these benefits: \$150 per net mineral acre, a one-time signing bonus of \$534, 1/8 royalty on marketable gas and oil for the life of the well and an option to extend the primary term for three years at \$150 per net mineral acre. An approval of a title and lease form by both parties would be needed.

Mayor Brian Howell observed that the request is associated with the Barlow 2-14 well drilled beneath the city.

“I actually called and talked to their land man, Travis, and tried to get some more information,” said Grimes, noting that to date his attempts have been unsuccessful.

Councilor Tom Limbaugh moved to deny the request. The motion carried with a voice vote of 3-0.

According to Ysabel Bilbao, communications director for Snake River Oil and Gas, the company aimed to avoid an integration process with a previous request relating to its mineral rights within the Fallon 1-10 well. In 2020 and 2021, no agreement was reached and the Idaho Department of Lands ultimately integrated that acreage along with a few other “small” interests in the vicinity.

“As we did previously with the City of Fruitland in the Fallon #1-10 unit, Snake River Oil + Gas [has offered] to lease the City’s mineral rights at the highest bonus we are paying anywhere in Idaho,” wrote Bilbao in a Friday email.

Bilbao said that since Fallon 1-10 went online, Snake River Oil and Gas has paid the city more than \$100,000 in royalties.

## **Community gifts days ahead of action were ‘coincidental’**

In a letter received by the newspaper on Jan. 30 from Bilbao and Company, a woman praised Snake River Oil and Gas for gifts to the community at recent high school sports games. This included paying for all the concessions during the first half and halftime at the Payette-Fruitland junior varsity and varsity boys basketball games on Jan. 20, T-shirts given out at those games, and donations made to each school’s athletic departments.

Bilbao confirmed during a phone call with the newspaper on Monday that the company did make two separate donations of \$500 each to the school’s athletic departments, noting that they had dropped the checks in the mail on Jan. 20.

The timing of the donations and gifts were “honestly coincidental,” she said, and did not have anything to do with the city’s pending action on Jan. 23 regarding mineral rights. Bilbao said she had been working on community outreach endeavors for “weeks and months before hand,” and that when they made the contributions and donations on Friday, she was not aware of the city’s pending action item on Monday.

The city releases its agenda items on Friday's ahead of the meeting around mid-morning to early afternoon, according to City Clerk Suzanne Percy.

For the rival game, the company had T-shirts made which were given out to the audience by cheerleaders. They featured school logos from both schools on the front and school fight songs on the back (half the shirts had Payette's, the other half had Fruitland's). The sleeve of the T-shirts also feature a small Snake River Oil and Gas logo.

Requests for comment from Payette and Fruitland school districts regarding policies over use of the schools' respective logos were not returned by press time.