

From: [Michael Christian](#)
To: [Mick Thomas](#); [Kourtney Romine](#)
Subject: Fwd: Barlow 2-14
Date: Monday, September 28, 2020 08:40:51 AM

Dear Administrator Thomas --

Please see the below email from Chris Weiser in support of Snake River Oil and Gas, LLC's appeal of the denial of the Barlow #2-14 APD.

Please let me know if you have any questions.

Thank you.

----- Forwarded message -----

From: **Chris Weiser** <chrisw@weiser-brown.com>
Date: Fri, Sep 25, 2020 at 6:02 PM
Subject: Fwd: Barlow 2-14
To: Michael Christian <mike@smithmalek.com>

Please forward.

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From: Chris Weiser <chrisw@weiser-brown.com>
Sent: Friday, September 25, 2020 7:00 PM
To: Chris Weiser
Subject: Barlow 2-14

Dear Administrator Thomas:

I am one of the principals of Weiser-Brown Oil Company, the parent of Snake River Oil and Gas, LLC. I am writing in support of Snake River's appeal of the denial of its application for a permit to drill the proposed Barlow #2-14 well. I am also a commissioner on the Arkansas Oil and Gas Conservation Commission, and I have experience over many years as an operator in Arkansas and other producing states in the region. It is based on that experience that I offer my comments.

In my experience, it is not the norm for the regulator to instruct an operator how it should configure units, or where it should locate wells. Particularly in a wildcat area, default spacing and unit setback requirements exist as a means for operators to drill exploration wells with a level of certainty about where they can drill. After exploratory wells have been drilled, a pool has been tested, and production experience is accumulated, then operators typically request more refined spacing to allow an area to be efficiently drilled out and produced.

Only after this point, and after significant production, do we typically see requests for field-

wide spacing or unit operations. Some reasons for this, as to the unit operations, are:

(a) Generally, pooling a very large area is difficult from a land perspective, and requiring large units at the beginning of exploration would stifle or prevent development, which is the opposite of the desired result. If a large area is rendered undevelopable because of overly burdensome unitization or spacing requirements, the resource is wasted, and the correlative rights of the operator and those desiring development are infringed.

(b) Requiring the formation of a unit over a very large area at the exploratory stage of a field likely will require the operator to divulge proprietary seismic data which is the product of an investment of millions of dollars. With the significant risk that a very large unit may not be granted, the operator is in the position of alerting others to the details of the exploration at a very early stage. This structure will dissuade investment in exploration of the field, which again produces the opposite of the desired result.

Certainly, it is not the ordinary course for the regulator to request that the operator establish a different unit, including a larger multi-section unit, rather than allowing the drilling of a test well in a legal location in a standard spacing unit.

The fact that a sand may extend beyond the boundaries of a unit is not normally a basis for denial of a well permit, if the well will be drilled to a legal location in relation to unit setback requirements. Offsetting mineral owners have options available to them if they believe their correlative rights may be impacted by future production, including drilling an offset well. This is a normal occurrence in other producing states in my experience. Future spacing following the accumulation of production experience will serve to protect correlative rights, while assuring that exploration and production may occur at the outset.

I urge the Idaho Commission to adopt an approach to exploration and development that is consistent with that in other producing states, and allow this exploratory well to be drilled.

Respectfully,
Chris Weiser

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For additional information about Smith + Malek, PLLC, including a list of attorneys, please see our website at www.smithmalek.com.