

**From:** [Michael Christian](#)  
**To:** [Comments: Richard Brown](#)  
**Subject:** Snake River Oil and Gas LLC comments on Draft #3 of revisions to Idaho Act  
**Date:** Tuesday, February 22, 2022 12:19:07 PM  
**Attachments:** [20220222.SROG Comment on Draft Legislation 3rd revision.pdf](#)

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Attached please see my letter of today's date with comments on behalf of Snake River Oil and Gas, LLC regarding Draft #3 of the proposed revisions to Idaho Code Title 47 Chapter 3.

Thank you.

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February 22, 2022

Via email: [comments@idl.idaho.gov](mailto:comments@idl.idaho.gov)

Mick Thomas, Administrator  
Minerals, Public Trust and Oil and Gas Division  
Idaho Department of Lands  
300 N. 6th St, Suite 103  
Boise, Idaho 83702

Re: Draft Legislative Revisions

Dear Administrator:

Thank you for the opportunity to provide comment regarding the Department's third draft of proposed revisions to the Act. Again, I appreciate the Department's continued work to improve and clarify the Act. On behalf of Snake River Oil and Gas, LLC ("Snake River"), I offer the following comments:

1. Snake River appreciates the effort to make the spacing process more consistent and understandable. As you know, from the operator's perspective the multiple hearing, several month process to achieve a spaced and integrated unit has been expensive and out of keeping with processes in other producing states. Snake River suggests expressly providing for spacing and integration to be addressed simultaneously in a single hearing (or immediately sequentially without intervening delay), unless a proper, factually supported objection to that process is raised by a qualified stakeholder in the affected area – in other words, where spacing is not reasonably subject to objection, there should be no delay between addressing a spacing application and addressing an application to integrate the spaced unit.

2. Snake River previously proposed simplifying the integration process by adopting a single 55% threshold (which may still be too high in densely populated areas) with a 90-day resume of efforts period, rather than the two-tiered system currently in statute, which requires 67% committed and 60 days of efforts to lease or 55% committed and 120 days of efforts. Snake River urges consideration of this compromise both for integration and for unitization, to further clarify and streamline the Act.

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3. Snake River supports retaining the option of a 160-acre quarter section default spacing unit for gas but does not support the addition of additional automatic, expensive, and time-consuming hearing processes following completion of a well in a default spacing unit. Reinstating such procedures would eviscerate the progress that was made toward streamlining the Act in the second and third drafts.

4. Snake River suggests modifying the severance tax payment dates in §47-330 to align with the reporting dates in § 47-324. Snake River currently files production reports by the 14th of the second month after production but is required to pay severance tax by the 20th of month immediately following the production month. Snake River is not paid on the sales by the current severance tax payment deadline, which creates an accounting problem and payment of taxes on revenue not yet received. Snake River supports amending the act to require payment of severance taxes by the “20<sup>th</sup> day of the second month following” production, so that payment immediately follows production reporting, and is based on the just-reported production.

Thank you for your consideration.

Very truly yours,



MICHAEL R. CHRISTIAN  
ATTORNEY AT LAW

cc: Richard Brown, Snake River Oil and Gas, LLC