



ALTA MESA SERVICES, LP

15021 Katy Freeway, Suite 400
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January 30, 2017



DEPT. OF LANDS
2017 AUG -2 AM 9:56
BOISE, IDAHO

Mr. James Thum
Oil and Gas Program Director
Idaho Department of Lands
300 N 6th Street, Suite 103
Boise, Idaho 83720

Dear Mr. Thum,

Re: Annual Report

Per your request on January 20, 2017, attached is the revised annual report for the status of wells owned and operated by Alta Mesa Services, LP.

Specifically, to the questions you had on the January 20 letter, below is the listing of information on the subject wells. Per our annual report, these three wells were listed as "Active-Producing". These wells are considered Active per the IDAPA 20.07.02 010.02 Definition of Active Well – A permitted well used for production, disposal, or injection that is not idled for more than twenty-four (24) continuous months. Although we may not have the immediate ability of producing them on specific dates due to various reasons, or at a decreased amount/decline, it is our full intent to utilize these wells in the future.

1. ML Investments #1-10 (USWI #11-075-20007) – This well has stopped producing efficiently. Now, we have the well shut in, however, we intend to attempt doing some work on the well to bring it back into a producing status. We idled this well in on 1/22/2016, but are hopeful to resume production sometime in the future. For this reason, we will title the status for this well as "Active - Idle".
2. Kauffman #1-9 (USQWI #11-075-20027) - Both upper and lower zones are able to produce. However, the fresh water produced from this well is quite a bit more than was anticipated, and currently, there is not an economical way to dispose of the produced water without a significant cost. We have decided to delay production from the zones in this well until we can determine an economically feasible way to handle the produced water. We idled the LT on 10-13-2016 and the UT on 12/31/2016, but are expectant on resuming production within the next 10 months. For this reason, we will title the status for this well as "Active - Idle".
3. ML Investments #2-3 (USWI #11-075-20029) - This well is still producing and active. Production has shown a decrease from how the well was performing, however, it is still producing and considered "active".

If you have any further questions, please feel free to let me know.

Thank you,

Ronda Louderman
Regulatory & Pipeline Supervisor
ALTA MESA SERVICES, LP



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BOISE, IDAHO

January 30, 2017

Mr. Eric Wilson
Idaho Department of Lands
300 N 6th Street, Suite 103
Boise, ID 83720

RE: Annual Report

Dear Mr. Wilson,

According to IDAPA 20.07.02, this letter will serve as Alta Mesa Services, LP's (AMS) formal amended Annual Report for calendar year 2016 for the following wells:

API #	Well Name	Status
11-075-20004	Espino #1-2	Active – pending flowline
11-075-20005	State #1-17	Active – producing
11-075-20007	ML Investments #1-10	Active – Idle
11-075-20009	Island Capitol #1-19	Active – pending flowline
11-075-20011	Tracy Trust #3-2	Active – pending flowline
11-075-20013	White #1-10	Active – pending flowline
11-075-20014	Korn #1-22	Active – pending flowline
11-075-20019	DJS Properties #1-14	Plugged & Abandoned 10/12/16
11-075-20020	DJS Properties #1-15	Active – pending flowline
11-075-20021	Smoke Ranch #1-21	Plugged & Abandoned 10/12/16
11-075-20022	ML Investments #2-10	Active – producing
11-075-20023	DJS Properties #2-14	Active – pending flowline
11-075-20024	Kauffman #1-34	Active – producing
11-075-20025	ML Investments #1-11	Active – producing
11-075-20026	ML Investments #1-3	Active – producing
11-075-20027	Kauffman #1-9	Active – Idle
11-075-20029	ML Investments #2-3	Active – producing
11-075-20030	State #1-16	Not drilled – permit expired 12/5/16

All wells with "pending" status are currently closed to the atmosphere by the pressurized well head and a valve that is closed off. Additionally, the well has a steel cage around the entire well head in order to prevent unauthorized entry, and jersey barriers around the outside to assist in preventing possible vehicular damage.

AMS appreciates the conscientious service that Idaho Department of Lands has provided to AMS this past year. Should you have any further questions, please feel free to contact me at 361-960-5671.

Sincerely,

Ronda Louderman
Regulatory & Pipeline Supervisor