

IDAHO OIL AND GAS CONSERVATION COMMISSION OPEN MEETING CHECKLIST

FOR MEETING DATE: October 10, 2018

**Regular Meetings**

09/28/18	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) calendar days before meeting.
09/28/18	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) calendar days before meeting.
09/28/18	Notice of Meeting posted in prominent place at meeting location five (5) calendar days before meeting.
09/28/18	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) calendar days before meeting.
09/28/18	Notice of Meeting posted electronically on the OGCC public website <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> five (5) calendar days before meeting.
10/05/18	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
10/05/18	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
10/05/18	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
10/05/18	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
10/05/18	Agenda posted electronically on the OGCC public website <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> forty-eight (48) hours before meeting.
12/18/17 3/16/18 4/24/18 6/18/18 7/27/18	Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA <ul style="list-style-type: none"> <li>• Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA</li> <li>• 2<sup>nd</sup> Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA</li> <li>• 3<sup>rd</sup> Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA</li> <li>• 4<sup>th</sup> Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA</li> </ul>

**Special Meetings**

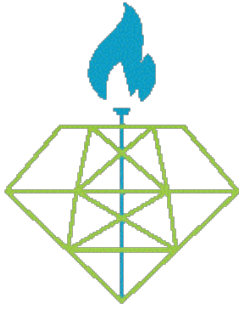
	Notice of Meeting and Agenda posted in a prominent place in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in a prominent place in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on the OGCC public website <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Notice of Meeting or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

**Executive Sessions** (If *only* an Executive Session will be held)

	Notice of Meeting and Agenda posted in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on the OGCC public website <a href="https://ogcc.idaho.gov/">https://ogcc.idaho.gov/</a> twenty-four (24) hours before meeting.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.

*Kourtney Romine*  
 RECORDING SECRETARY

10/05/18  
 DATE



## IDAHO OIL AND GAS CONSERVATION COMMISSION

Kevin Dickey, Chairman  
Marc Shigeta, Vice Chairman  
Jim Classen, Commissioner  
Dr. Renee Love, Commissioner  
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

# NOTICE OF PUBLIC MEETING OCTOBER 2018

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on **Wednesday, October 10, 2018** at the **State Capitol, House Hearing Room (EW42), Lower Level, East Wing, 700 W Jefferson St., Boise, Idaho**. The meeting is scheduled to begin at **1:00 pm (MT)**.

*Please note meeting location and time.*

This meeting will be streamed live via audio at this web site address <http://idahoptv.org/insession/other.cfm>

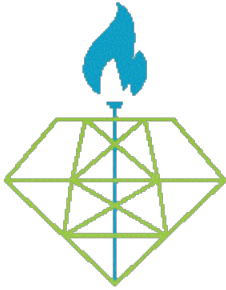
IDAHO OIL & GAS  
CONSERVATION COMMISSION

First Notice Posted: 9/28/2018-IDL Boise; 9/28/2018-IDL CDA

***The Idaho Oil and Gas Conservation Commission is established by Idaho Code § 47-314.***

*Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702*

This notice is published pursuant to § 74-204 Idaho Code. For additional information regarding Idaho's Open Meeting law, please see Idaho Code §§ 74-201 through 74-208.



IDAHO OIL AND GAS CONSERVATION COMMISSION

Kevin Dickey, Chairman  
Marc Shigeta, Vice Chairman  
Jim Classen, Commissioner  
Dr. Renee Love, Commissioner  
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

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Final Agenda

Idaho Oil and Gas Conservation Commission Regular Meeting  
October 10, 2018 – 1:00 PM (MT)

State Capitol, House Hearing Room (EW42), Lower Level, East Wing, 700 W Jefferson St., Boise, Idaho

***Please note meeting time and location.***

- **ANNOUNCEMENTS**

*Public comment will be taken on agenda items listed below.*

- 1. **Division Administrator's Report**

- A. Financial Update
- B. Current Oil and Gas Activity
- C. Status Update
  - i. Docket No. CC-2017-OGR-01-002 – Kauffman Complaint
  - ii. CPC Mineral LLC, Application for Permit to Drill
  - iii. Class II Primacy – Permit Status
- D. Operator Compliance

- **CONSENT – ACTION ITEM(S)**

- 2. **Approval of Minutes** – September 12, 2018 - Regular Meeting (Boise)

- **INFORMATION**

- 3. **Second Quarter 2018 Quarterly Reports** – *Presented by James Thum, Program Manager – Oil and Gas*

- **REGULAR – ACTION ITEM(S)**

- 4. **Operator Records Examined** – *Presented by Mick Thomas, Division Administrator – Oil and Gas*

- **EXECUTIVE SESSION**

None

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Idaho Oil and Gas Conservation Commission  
Final Agenda  
Regular Meeting (Boise) – October 10, 2018  
Page 1 of 1



# Idaho Statutes

Print Friendly

Idaho Statutes are updated to the web July 1 following the legislative session.

TITLE 74  
TRANSPARENT AND ETHICAL GOVERNMENT  
CHAPTER 2  
OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS – WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

- (a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;
- (b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;
- (c) To acquire an interest in real property which is not owned by a public agency;
- (d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;
- (e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;
- (g) By the commission of pardons and parole, as provided by law;
- (h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;
- (i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of

a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1) (a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this act to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377.]

How current is this law?

**Search the Idaho Statutes and Constitution**

IDAHO OIL & GAS  
CONSERVATION COMMISSION

**Oil and Gas Regulatory Program  
Activities Report as of September 30, 2018  
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
<b>Beginning Cash Balance 7/1/2018</b>	322,595.74		
Permits		4,000.00	6,500.00
*Severance Tax		13,128.41	37,029.99
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
<b>Total</b>		<u>17,128.41</u>	<u>43,529.99</u>
Personnel Expenditures		(6,678.27)	(20,028.44)
Operating Expenditures		(5,740.44)	(6,511.29)
P-Card Liability to be paid			0.00
<b>Ending Cash Balance 9/30/2018</b>			339,586.00

\*The Idaho Tax Commission transfers 60% of the 2.5% Severance Tax to Fund 0075-14 Oil and Gas Conservation Fund to defray the expense of the Oil and Gas Commission.

**General Fund Regulatory Program Expenditures Report**

**Expenditures from General Fund FY18**

	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55000 Expenses</b>				
PC	388,800.00	30,678.39	92,714.78	296,085.22
OE	102,000.00	22,353.90	47,629.50	54,370.50
CO	0.00	0.00	0.00	0.00
<b>Total</b>	<u>490,800.00</u>	<u>53,032.29</u>	<u>140,344.28</u>	<u>350,455.72</u>

**Dedicated Fund Regulatory Program Expenditures Report**

**Expenditures from Dedicated Fund FY18**

	Appropriation	Current Month	Year-to-Date	Balance
<b>PCA 55070 Expenses</b>				
PC	95,800.00	6,678.27	20,028.44	75,771.56
OE	110,000.00	5,740.44	6,511.29	103,488.71
CO	0.00	0.00	0.00	0.00
<b>Total</b>	<u>205,800.00</u>	<u>12,418.71</u>	<u>26,539.73</u>	<u>179,260.27</u>



# Southwest Idaho Oil & Gas Activity Map



## Legend

<b>Active Oil and Gas Wells</b>		<b>Inactive Oil and Gas Wells</b>		Township
Shut in Gas	Plugged and Abandoned (P&A) Gas Show	Sections	Counties	Idaho Mineral Estate
Producing - Multi Zone	Plugged and Abandoned	Idaho Mineral Estate	<b>Surface Ownership</b>	
Producing	APD Submitted	BLM	IDF&G	IDL
Permitted	Highway	Approved Integration/Spacing Request		
	Integration/Spacing Request			

No.	US Well Number	Operator	Well Name	Status
1	11-075-20004	AM Idaho, LLC	Espino #1-2	Shut in
2	11-075-20005	AM Idaho, LLC	State #1-17	Shut in
3	11-075-20007	AM Idaho, LLC	ML Investments #1-10	Shut in
4	11-075-20009	AM Idaho, LLC	Island Capitol #1-19	Shut in
5	11-075-20011	AM Idaho, LLC	Tracy Trust #3-2	Shut in
6	11-075-20013	AM Idaho, LLC	White #1-10	Shut in
7	11-075-20014	AM Idaho, LLC	Korn #1-22	Shut in
8	11-075-20020	AM Idaho, LLC	DJS Properties #1-15	Producing
9	11-075-20022	AM Idaho, LLC	ML Investments #2-10	Producing
10	11-075-20023	AM Idaho, LLC	DJS Properties #2-14	Shut in
11	11-075-20024	AM Idaho, LLC	Kauffman #1-34	Producing
12	11-075-20025	AM Idaho, LLC	ML Investments #1-11	Producing
13	11-075-20026	AM Idaho, LLC	ML Investments #1-3	Producing
14	11-075-20027	AM Idaho, LLC	Kauffman #1-9	Producing
15	11-075-20029	AM Idaho, LLC	ML Investments #2-3	Producing
16	11-075-20031	AM Idaho, LLC	ML Investments #3-10*	Producing
17	11-075-20032	AM Idaho, LLC	Fallon #1-10*	Completed
18	11-075-20033	AM Idaho, LLC	Barlow #1-14*	Completed
19	11-075-20035	AM Idaho, LLC	Fallon #1-11*	Permitted
			* confidential well	

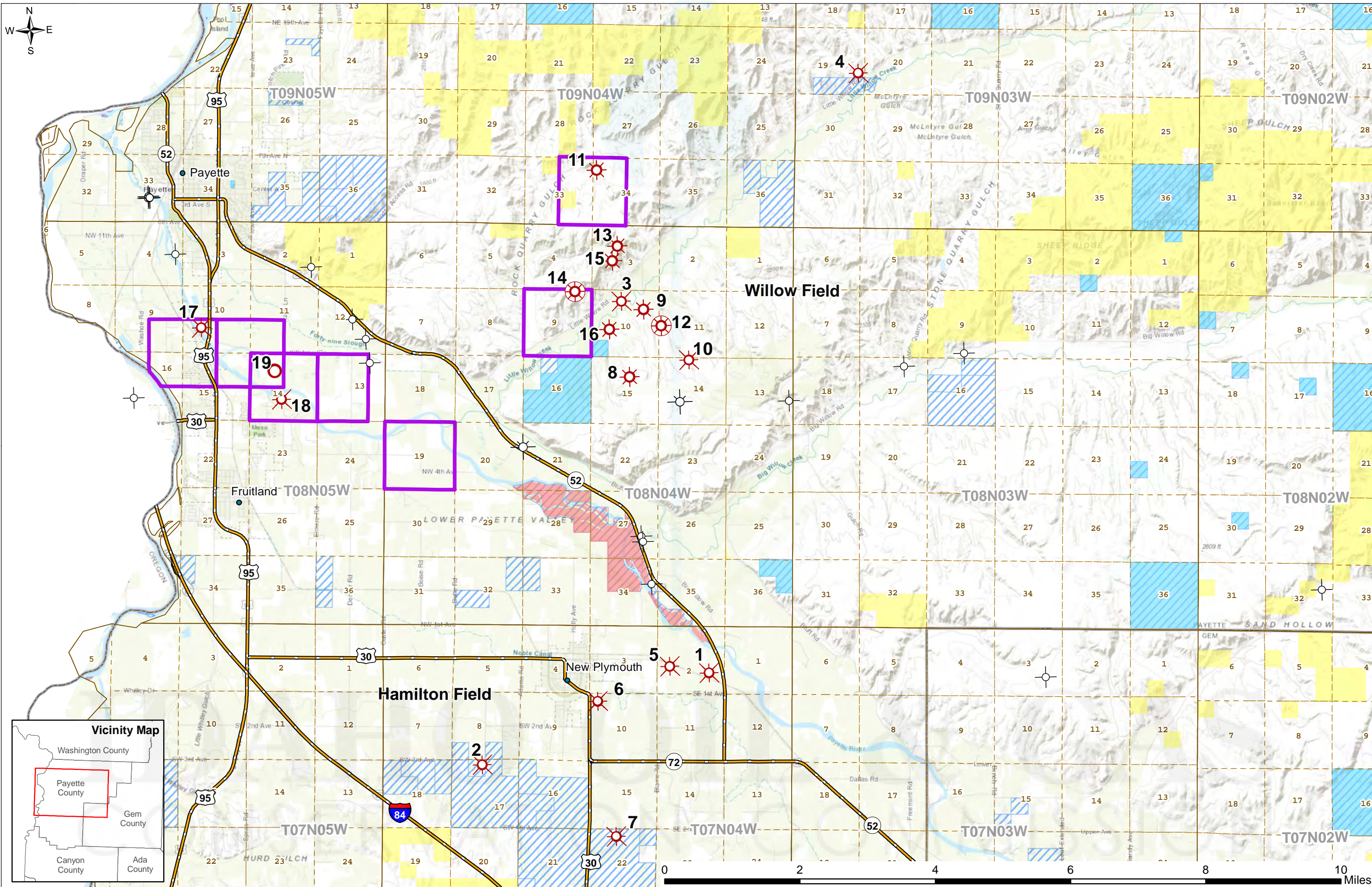
**Map Notes and Data Sources**

Inactive and Active Oil And Gas Wells through 9/6/2018

Data Sources: Idaho Department of Lands and Idaho Geological Survey

**Disclaimer:**

This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.







# Eastern Idaho Oil & Gas Activity Map



## Legend

### Active Oil and Gas Wells

- Shut in Gas
- Producing - Multi Zone
- Producing
- Permitted

### Inactive Oil and Gas Wells

- Plugged and Abandoned (P&A) Gas Show
- Plugged and Abandoned
- APD Submitted

- Approved Integration/Spacing Request
- Integration/Spacing Request
- Idaho Mineral Estate
- Surface Ownership**
  - BLM
  - IDL
- Township
- Section
- County
- Highway

<b>No.</b>	<b>US Well Number</b>	<b>Operator</b>	<b>Well Name</b>	<b>Status</b>
1	11-019-20011	CPC Mineral, LLC	CPC Minerals LLC #17-1	Plugged and Abandoned
2	11-019-20014	CPC Mineral, LLC	Federal #20-3	Plugged and Abandoned
3		CPC Mineral, LLC	Bell #17-2	APD Submitted

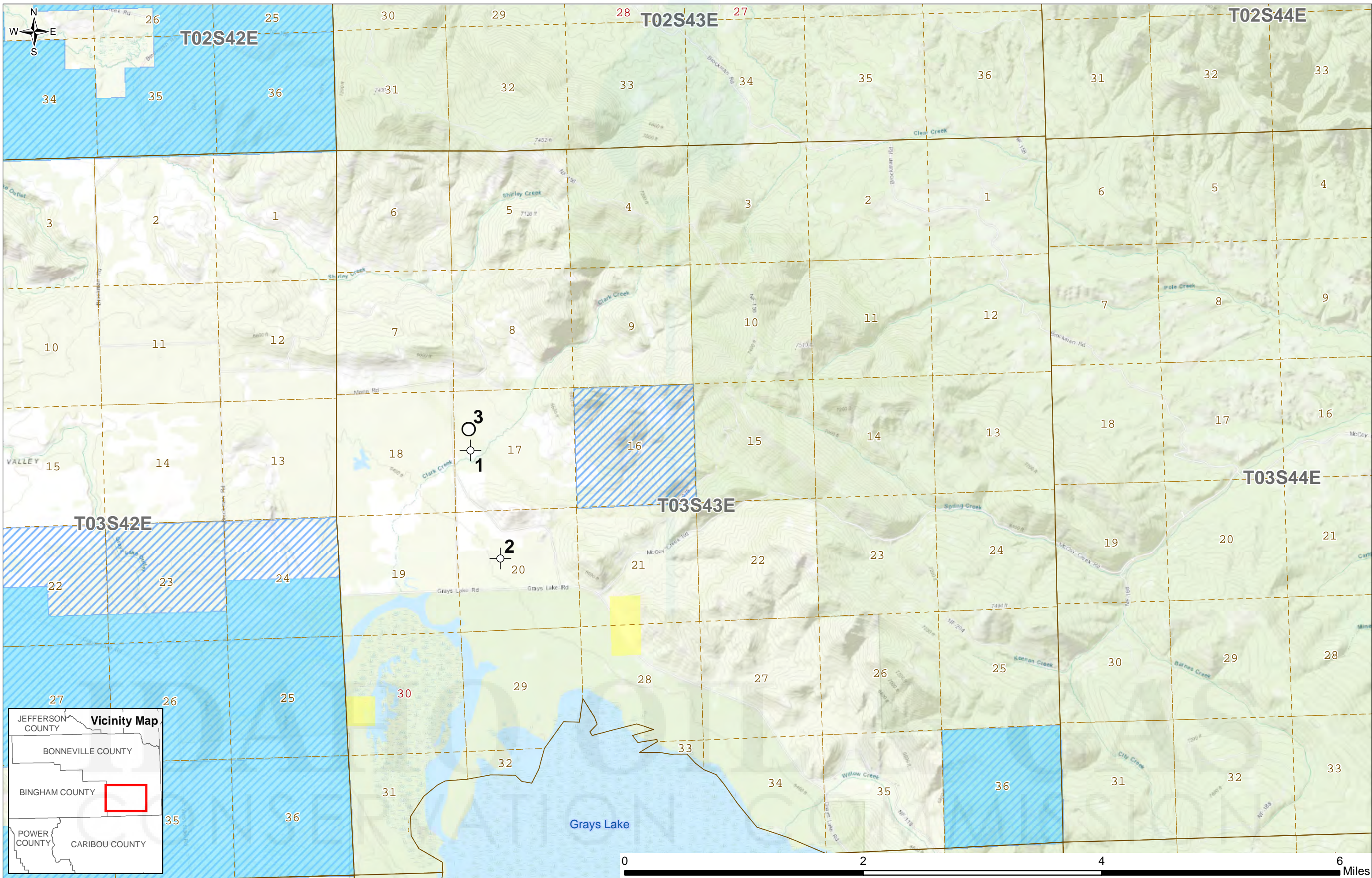
#### Map Notes and Data Sources

Inactive and Active Oil And Gas Wells through 10/5/2018

Data Sources: Idaho Department of Lands and Idaho Geological Survey

#### Disclaimer:

This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.



Item 1C - Status Update

- i. Docket No. CC-2017-OGR-01-002 – Kauffman Complaint: On September 17, 2018, the complainants asked that the hearing be waived. In addition, the complainants requested that the hearing officer issue a recommended order to the Commission. There was a prehearing conference on September 24, 2018, to allow for any objections or requests for the submission of additional materials.  
The complainants confirmed their request to waive a hearing in this matter. Counsel for the respondent lodged no objection and was advised that he was free to submit any desired briefs, memoranda, or statements of position so long as the same were received on or before October 5, 2018. The respondent submitted a brief on October 5, 2018, which is available on the Oil and Gas Conservation Commission web site.  
The record has been closed and the hearing officer is moving forward with the drafting of a recommended order to the Commission.
- ii. CPC Mineral LLC, Bell #17-2 Application for Permit to Drill: On September 28, 2018, CPC Mineral, LLC submitted an application for permit to drill a well called Bell #17-2 in Bonneville County, Idaho. The proposed depth is ~7,000 feet. The application has been posted on the Oil and Gas Conservation Commission web site and is currently under review. The public comment period will end on October 15, 2018.
- iii. Class II Primacy – Permit Status: The applicant AM Idaho, LLC has submitted the application package to the Environmental Protection Agency (EPA) and is currently under formal review. The Department is in regular communication with the EPA and received an update on the process on October 3, 2018. The EPA confirmed that the permit evaluation process is on schedule with the new 180-day evaluation timeline. Permit evaluation should be completed by late spring, early summer 2019.

Division Administrator's Report  
October 10, 2018

Item 1D – Operator Compliance

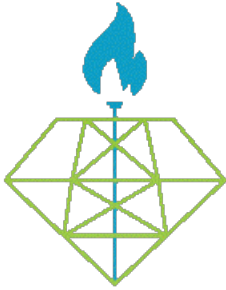
On October 5, 2018, the Department staff, through the Office of the Attorney General, filed with the Commission an administrative complaint against Alta Mesa related to the ML Investments #2-10 well.

By filing the complaint, the Department has initiated a contested case, which limits communication about this matter. As a party to the contested case, the Department cannot discuss the merits of the complaint or provide any evidence to the Commission outside of the proceeding. This applies to the operator Alta Mesa as well. This ensures that both parties have the same rights and access to the Commission as the decision maker. Department staff can update the Commission on procedural matters, such as scheduling.

The Commission should direct questions to Deputy Attorney General Joy Vega, who will be advising the Commission on this matter. Deputy Attorney General Kristina Fugate will be representing Department staff and may not discuss the substantive issues in this case with the Commission. The Commission will have an opportunity to discuss the matter with both parties at a noticed future hearing on the topic.



IDAHO OIL & GAS  
CONSERVATION COMMISSION



IDAHO OIL AND GAS CONSERVATION COMMISSION

Kevin Dickey, Chairman  
Marc Shigeta, Vice Chairman  
Dr. Renee Love, Commissioner  
Jim Classen, Commissioner  
David Groeschl, Commissioner

Mick Thomas, Secretary to the Commission

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Draft Minutes

Idaho Oil and Gas Conservation Commission Regular Meeting  
September 12, 2018

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, September 12, 2018, at the State Capitol, Lincoln Auditorium, (WW02), Lower Level, West Wing, 700 W Jefferson St., Boise, Idaho. The meeting began at 1:00 p.m. Chairman Kevin Dickey presided. The following members were present:

Vice Chairman Marc Shigeta  
Commissioner Renee Love (*via teleconference*)  
Commissioner Jim Classen  
Commissioner David Groeschl

For the record, all five Commission members were present with Commissioner Renee Love joining via teleconference.

• **ANNOUNCEMENTS**

Chairman Dickey announced that the Commission will accept public comments on items listed on the agenda. He pointed out the location of the sign-in sheet at the back of the room and asked that those who wished to speak fill out the sign-in sheet.

Secretary Mick Thomas announced that the new Idaho Department of Lands Director, Dustin Miller, would be in attendance at the next Commission meeting. Secretary Thomas thanked Commissioner Groeschl for his guidance and input.

**1. Division Administrator's Report**

- A. Financial Update
- B. Current Oil and Gas Activity
- C. Status Update
  - i. Docket Nos. CC-2016-OGR-01-004 and CC-2016-OGR-01-005 – AM Idaho, LLC Petition to Amend Orders, Docket No. CC-2017-OGR-01-002 – Kauffman Complaint and Docket No. CC-2018-OGR-01-001 – CPC Mineral LLC, Application

Commissioner Jim Classen asked what was happening now with the CPC Mineral application and if they were still in business. Secretary Thomas responded that they submitted the application; the Department asked questions but no further information was received and they withdrew the application. Secretary Thomas also stated that to his knowledge, CPC Mineral was still in business.

ii. Class II Primacy – Permit Status

Chairman Dickey asked how long it would take the permitting process to be complete; Secretary Thomas responded that the original estimate was six months but did not ask for another estimate.

iii. Instructions for Monthly Reports

Commissioner Classen asked if the Commission could get a sneak preview of the instructions; Secretary Thomas responded yes.

• **CONSENT (ACTION)**

2. **Approval of Minutes** – July 19, 2018 - Regular Meeting (Boise)

3. **Approval of Minutes** – September 5, 2018 - Special Meeting (Boise)

*CONSENT AGENDA COMMISSION ACTION:* A motion was made by Vice Chairman Marc Shigeta that the Commission approve the meeting minutes on the Consent Agenda. Commissioner Classen seconded the motion. The motion carried on a vote of 5-0.

*Background information was provided by the presenter indicated below. No Commission action is required on the Information Agenda.*

• **INFORMATION**

4. **Oil and Gas Royalty Audit** – Presented by Mick Thomas, Division Administrator – Oil and Gas

For the record, Commissioner Classen submitted a list of questions regarding the oil and gas audit and asked that they be part of the record. After the presentation and discussion between Commissioners was complete, Commissioner David Groeschl asked that the Commissioners submit any questions or comments regarding the audit to the Idaho Department of Lands in writing.

• **REGULAR (ACTION)**

5. **Election of Chairman and Vice Chairman**

*RECOMMENDATION:* Direct the Commission to elect a Chairman and Vice Chairman.

*DISCUSSION:* Commissioner Groeschl made a motion to nominate Kevin Dickey as Chairman and Marc Shigeta as Vice Chairman. Vice Chairman Shigeta seconded the motion. Commissioner Love asked for clarification on the motion, Chairman Dickey repeated the motion. Commissioner Classen asked that the vote be separate for each nomination. Chairman Dickey responded that an amendment could be provided on the motion or they must vote on the motion as it stands. Commissioner Love moved to amend the original motion to request that Kevin Dickey remain the Chairman for the next year. Commissioner Classen seconded the motion. Chairman Dickey opened the floor for nominations for Vice Chairman. Commissioner Classen asked if there would be any lobbying. Commissioner Love asked for clarification on what motion was current. Chairman Dickey responded that that since the original motion was amended, there was no current motion for Vice Chairman and asked for a motion. Commissioner Groeschl made a motion to keep Marc Shigeta as Vice Chairman. Chairman Dickey seconded the motion and asked for any discussion. Commissioner Love wanted to hear from Vice Chairman Shigeta on whether or not he would like to remain Vice Chairman. Vice Chairman Shigeta responded that it would be his pleasure and he would be glad to serve as Vice Chairman.

*COMMISSION ACTION:* Commissioner Groeschl made a motion to nominate Kevin Dickey as Chairman and Marc Shigeta as Vice Chairman. Vice Chairman Shigeta seconded the motion. Commissioner Renee Love made a substitute motion to keep Kevin Dickey as Chairman. Commissioner Classen seconded the motion. The vote carried 5-0. The Commission having voted on Commissioner Love's substitute motion, no vote was taken on Commissioner Groeschl's original motion. Commissioner Groeschl made a motion to keep Marc Shigeta as Vice Chairman. Commissioner Classen seconded the motion. The vote carried 5-0.

**6. Operator Records Examined** – Presented by Mick Thomas, Division Administrator – Oil and Gas

*RECOMMENDATION:* Direct the Department to analyze the Commission's authorities and discuss and recommend the Commission's options going forward at the next regular meeting.

*DISCUSSION:* Chairman Dickey wanted to clarify that the Department's recommendation is not to have a penalty for another month. Secretary Thomas explained that if a penalty was decided then there is a process statutorily that must be followed which includes a hearing. Secretary Thomas briefly explained the process and offered more detailed information if the Commission wanted it. Chairman Dickey explained that he felt the process should move along. Secretary Thomas clarified that some information has been received and that this has been an informal process so far. Chairman Dickey wondered if the process should have started out more formal in the beginning. Secretary Thomas explained that the Department can continue to proceed appropriately. Chairman Dickey responded that he would like to start the formal process and the Commission will then be in a place by the next meeting to either have all the information requested or to schedule a hearing. Secretary Thomas gave a brief overview of what was done at the end of August and September. Commissioner Classen encouraged Secretary Thomas to continue with what he was doing.

*COMMISSION ACTION:* Commissioner Groeschl made a motion to accept the Department recommendation. Commissioner Classen seconded the motion. The motion carried on a vote of 5-0.

At 2:04 p.m., a motion was made by Commissioner Groeschl to convene in Executive Session pursuant to Idaho Code 74-206(1)(f) to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated.

Prior to resolving into Executive Session, Chairman Dickey opened the floor for public comment. Michael Christian gave public comment.

Chairman Dickey asked for a second on Commissioner Groeschl's motion for Executive Session, noting that it was not necessary for Commissioner Groeschl to re-state his motion. Commissioner Classen seconded the motion. Roll Call Vote at 2:11 p.m.: *Aye:* Shigeta, Love, Classen, Groeschl, Dickey; *Nay:* None; *Absent:* None.

Chairman Dickey called for a five-minute break before the Executive Session.

- **EXECUTIVE SESSION**

A. Idaho Code 74-206 (1)(f) - to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. [TOPIC: Docket No. CC-2017-OGR-01-002; Kauffman's v. AM Idaho, LLC]

At 3:03 p.m., the Commission resolved out of Executive Session by unanimous consent. Chairman Dickey clarified that no action was taken by the Commission during the Executive Session.

There being no further business before the Commission, at 3:04 p.m. a motion to adjourn was made by Commissioner Groeschl. Vice Chairman Shigeta seconded the motion. The motion carried on a vote of 4-0. Commissioner Love was no longer on the phone when adjournment was done. Meeting adjourned.



IDAHO OIL AND GAS CONSERVATION COMMISSION  
October 10, 2018  
Information Agenda

SUBJECT

Quarterly Reports as Specified Under Idaho Code § 47-315 and § 47-324

BACKGROUND

As a result of changes to Idaho Code during the 2017 legislative session, the “department shall report quarterly to the commission on the produced volumes of oil and gas, sales volumes of oil and gas and the meeting of industry standards.” Idaho Code §47-324(6). In addition, Idaho Code § 47-315(9) requires that the department inspect and report on active well sites and production and processing facilities with an opinion on any areas of concern identified during inspections.

DISCUSSION

A summary of oil and gas production and sales volumes for the second quarter of 2018 (April-May-June) will be presented. Information regarding other activities such as inspections, recompletions and workovers, sundry notices and other applications submitted to the Idaho Department of Lands during the three-month period will be included as part of the report to the Oil and Gas Conservation Commission.

ATTACHMENTS

1. Idaho Code § 47-315
2. Idaho Code § 47-324
3. PowerPoint – “Second Quarter 2018 Idaho Oil & Gas Activity Report”

IDAHO OIL & GAS  
CONSERVATION COMMISSION



# Idaho Statutes

Print Friendly

TITLE 47  
MINES AND MINING  
CHAPTER 3

OIL AND GAS WELLS – GEOLOGIC INFORMATION, AND PREVENTION OF  
WASTE

47-315. AUTHORITY OF COMMISSION. (1) The commission is authorized and it is its duty to regulate the exploration for and production of oil and gas, prevent waste of oil and gas and to protect correlative rights, and otherwise to administer and enforce this act. It has jurisdiction over all persons and property necessary for such purposes. In the event of a conflict, the duty to prevent waste is paramount.

(2) The commission and the department shall protect correlative rights by administering the provisions of this chapter 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 or equivalent resources, while also protecting the rights of surface owners.

(3) The commission is authorized to make such investigations as it deems proper to determine whether action by the commission in discharging its duties is necessary.

(4) The commission is authorized to appoint, as necessary, committees for the purpose of advising the commission on matters relating to oil and gas.

(5) Without limiting its general authority, the commission shall have the specific authority to require:

(a) Identification of ownership of oil and gas wells, producing leases, tanks, plants, structures, and facilities for the transportation or refining of oil and gas;

(b) The taking and preservation of samples and findings, if taken or analyzed;

(c) The drilling, casing, operation and plugging of wells in such manner as to prevent: (i) the escape of oil and gas out of one (1) pool into another; (ii) the detrimental intrusion of water into an oil and gas pool that is avoidable by efficient operations; (iii) the pollution of fresh water supplies by oil, gas, or saltwater; (iv) blow-outs, cavings, seepages, and fires; and (v) waste as defined in section 47-310, Idaho Code;

(d) The taking of tests of oil and gas wells;

(e) The furnishing of a reasonable performance bond with good and sufficient surety, conditioned upon the performance of the duty to comply with the requirements of this law and the regulations of the commission with respect to the drilling, maintaining, operating and plugging of each well drilled for oil and gas;

(f) That the production from wells be separated into gaseous and liquid hydrocarbons, and that each be measured by means and upon standards that may be prescribed by the commission;

(g) That wells not be operated with inefficient gas-oil or water-oil ratios, and to fix these ratios, and to limit production from wells with inefficient gas-oil or water-oil ratios;

(h) Metering or other measuring of oil, gas, or product;

(i) That every person who produces oil and gas in the state keep and maintain for a period of five (5) years complete and accurate records of the quantities thereof, which records, or certified copies thereof, shall be available for examination by the commission or its agents at all reasonable times within said period, and that every such person file with the commission such reasonable reports as it may prescribe with respect to such oil and gas production; and

(j) The filing of reports or plats with the commission that it may prescribe.

(6) Without limiting its general authority, and without limiting the authority of other state agencies or local government as provided by law, the commission shall have the specific authority to regulate:

(a) The drilling and plugging of wells and the compression or dehydration of produced oil and gas, and all other operations for the production of oil and gas;

(b) The shooting and treatment of wells;

(c) The spacing or locating of wells;

(d) Operations to increase ultimate recovery, such as cycling of gas, the maintenance of pressure, and the introduction of gas, water, or other substances into a producing formation; and

(e) The disposal of produced water and oil field wastes.

(7) The commission is authorized to classify and reclassify pools as oil, gas, or condensate pools, or wells as oil, gas, or condensate wells.

(8) The commission is authorized to make and enforce rules, regulations, and orders reasonably necessary to prevent waste, protect correlative rights, to govern the practice and procedure before the commission, and otherwise to administer this act.

(9) The commission shall require the department to perform the following activities on an annual basis:

(a) Inspect and report on all active well sites and equipment;

(b) Visit and file a report on production and processing facilities; and

(c) Submit an opinion as to any areas of concern, as identified on inspection reports.

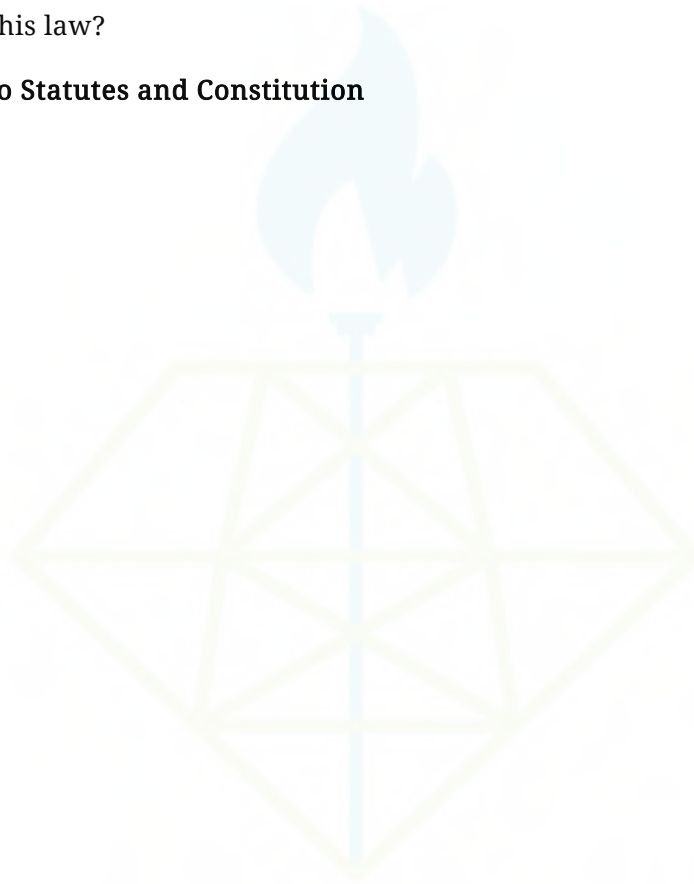
History:

[(47-315) 47-319, added 1963, ch. 148, sec. 5, p. 433; am. 1990, ch. 213, sec. 63, p. 532; am. 2012, ch. 73, sec. 2, p.

211; am. 2012, ch. 111, sec. 3, p. 303; am. 2013, ch. 189, sec. 2, p. 469; am. 2015, ch. 64, sec. 1, p. 173; am. 2015, ch. 141, sec. 120, p. 469; am. 2016, ch. 47, sec. 21, p. 115; am. 2016, ch. 194, sec. 3, p. 542; am. and redesign. 2017, ch. 271, sec. 7, p. 683.]

How current is this law?

**Search the Idaho Statutes and Constitution**



IDAHO OIL & GAS  
CONSERVATION COMMISSION



# Idaho Statutes

Print Friendly

TITLE 47  
MINES AND MINING  
CHAPTER 3

OIL AND GAS WELLS – GEOLOGIC INFORMATION, AND PREVENTION OF  
WASTE

47-324. REPORTING REQUIREMENTS. (1) All reporting parties shall file the applicable reports described in this section to the department within the time frames provided. Each report shall be completed on forms prescribed by the department.

(a) Monthly production report. Operators shall file monthly production reports to properly account for all oil, gas and water production and disposition from each well, including the amounts of oil and gas sold from each well. Production reports shall be filed on the required form before the fifteenth day of the second calendar month following the month of production.

(b) Gathering facility report. Operators of a gathering facility shall file monthly reports concerning the operation of the plant on the required form before the fifteenth day of the second calendar month following the month of operation.

(c) Gas processing plant report. The operator of each plant manufacturing or extracting liquid hydrocarbons, including gasoline, butane, propane, condensate, kerosene or other derivatives from natural gas, or refinery or storage vapors, shall file a report concerning the operation of the plant on the required form before the fifteenth day of the second calendar month following the month of operation.

(d) Monthly transportation and storage report. Each gatherer, transporter, storer or handler of crude oil or hydrocarbon products, or both, shall file monthly reports showing the required information concerning the transportation operations of the gatherer, transporter, storer or handler before the fifteenth day of the second calendar month following the month of operation. The provisions of this subsection shall not apply to the operator of any refinery, processing plant, blending plant or treating plant if the operator of the well has filed the required form.

(e) Monthly purchaser report. Any person who purchases or is entitled to purchase any product that is subject to the state of Idaho severance tax from the producer or operator of a lease located in this state shall file monthly reports to account for the purchase of all hydrocarbons, including volume and price paid. Purchaser reports shall be filed on the required form before the fifteenth day of the second

calendar month following the month in which the hydrocarbons were purchased.

(2) All well test reports. An operator shall file all well test reports within thirty (30) days of completing or recompleting the well. The reports shall include all oil, gas and water produced during all tests.

(3) Well production potential test reports. Unless otherwise provided for in this section, each operator of producing gas or oil wells shall test each producing well for a twenty-four (24) hour period every six (6) months and shall record all oil, gas and water volumes, including choke size, pressures and any interim bottom hole pressure surveys every six (6) months, resulting from the test on the form.

(4) Logs. An operator shall file all logs, including but not limited to those listed in this subsection, not later than thirty (30) days after the date the log was run, if run:

(a) An open hole electrical, radioactivity or other similar log, or combination of open hole logs of the operator's choice;

(b) A gamma ray log from total depth to ground level elevations. The operator may require a shorter-logged interval if it determines that the log is unnecessary or impractical or if hole conditions risk jeopardizing the open hole; and

(c) A cement bond log across the casing, verifying the formation seal integrity and isolation.

(5) Additional reports. An operator shall file a drilling, completion, workover or plugging report within thirty (30) days of completing or plugging the well.

(6) The department shall report quarterly to the commission on the produced volumes of oil and gas, sales volumes of oil and gas, and the meeting of industry standards.

(7) Should an operator fail to comply with this section, the commission may assess a penalty in accordance with section 47-329(3), Idaho Code, or may order the well or oil and gas facilities to be shut-in, after notice, opportunity to cure, and opportunity for a hearing.

History:

[47-324, added 2017, ch. 271, sec. 17, p. 696.]

How current is this law?

**Search the Idaho Statutes and Constitution**

**Quarterly Report to the Commission**  
**Idaho Code § 47-315(9)**  
**Idaho Code § 47-324(6)**

**2nd Quarter 2018 (April – June)**



October 10, 2018

JAMES THUM

OIL & GAS PROGRAM MANAGER

IDAHO DEPARTMENT OF LANDS

ATTACHMENT 3

**TITLE 47  
MINES AND MINING  
CHAPTER 3  
OIL AND GAS WELLS — GEOLOGIC INFORMATION, AND  
PREVENTION OF WASTE**

**§ 47-324(6) The department shall report quarterly to the commission on the produced volumes of oil and gas, sales volumes of oil and gas, and the meeting of industry standards.**

**IDaho OIL & GAS  
CONSERVATION COMMISSION**

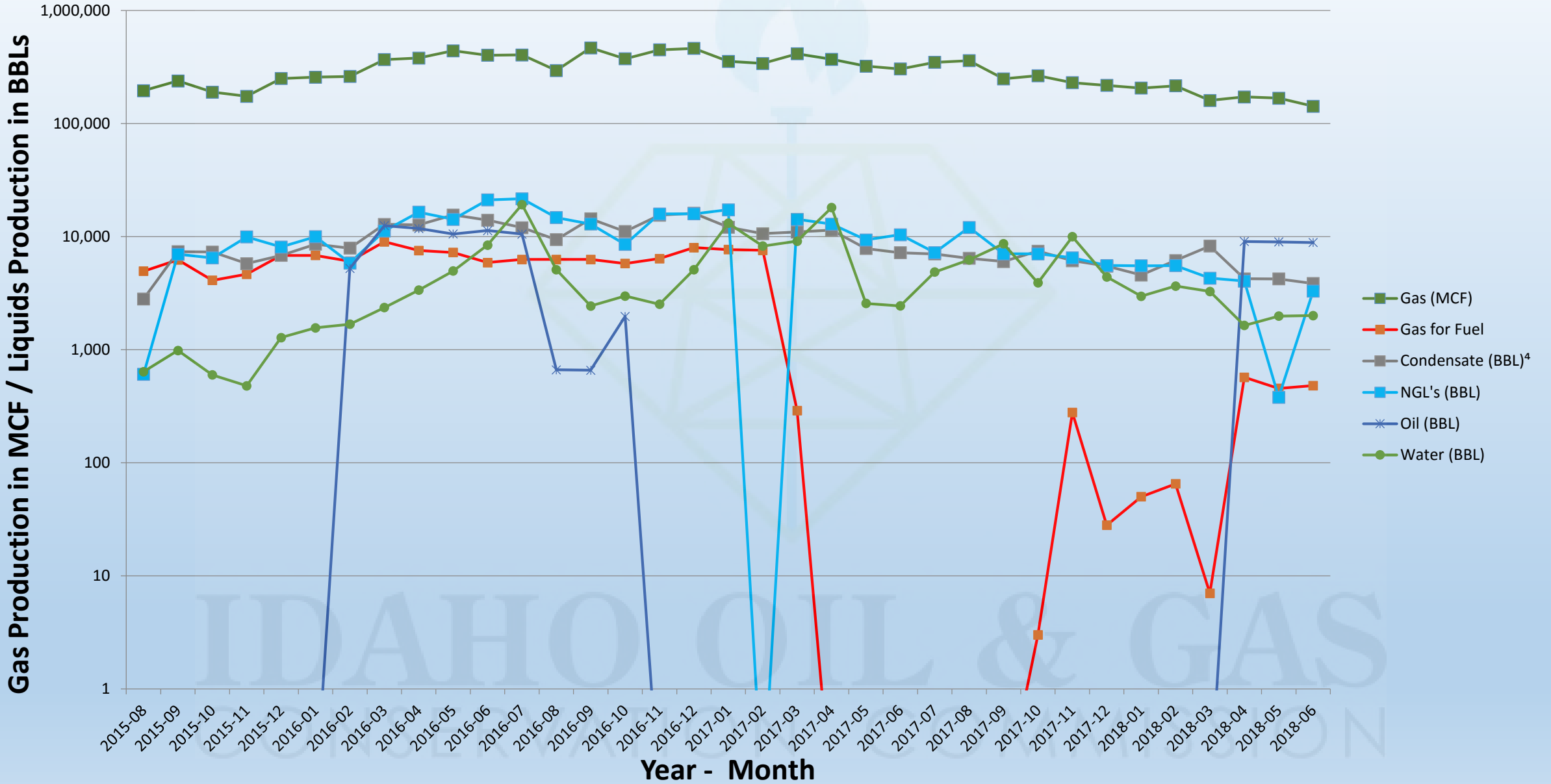


# Volumes Produced & Sold

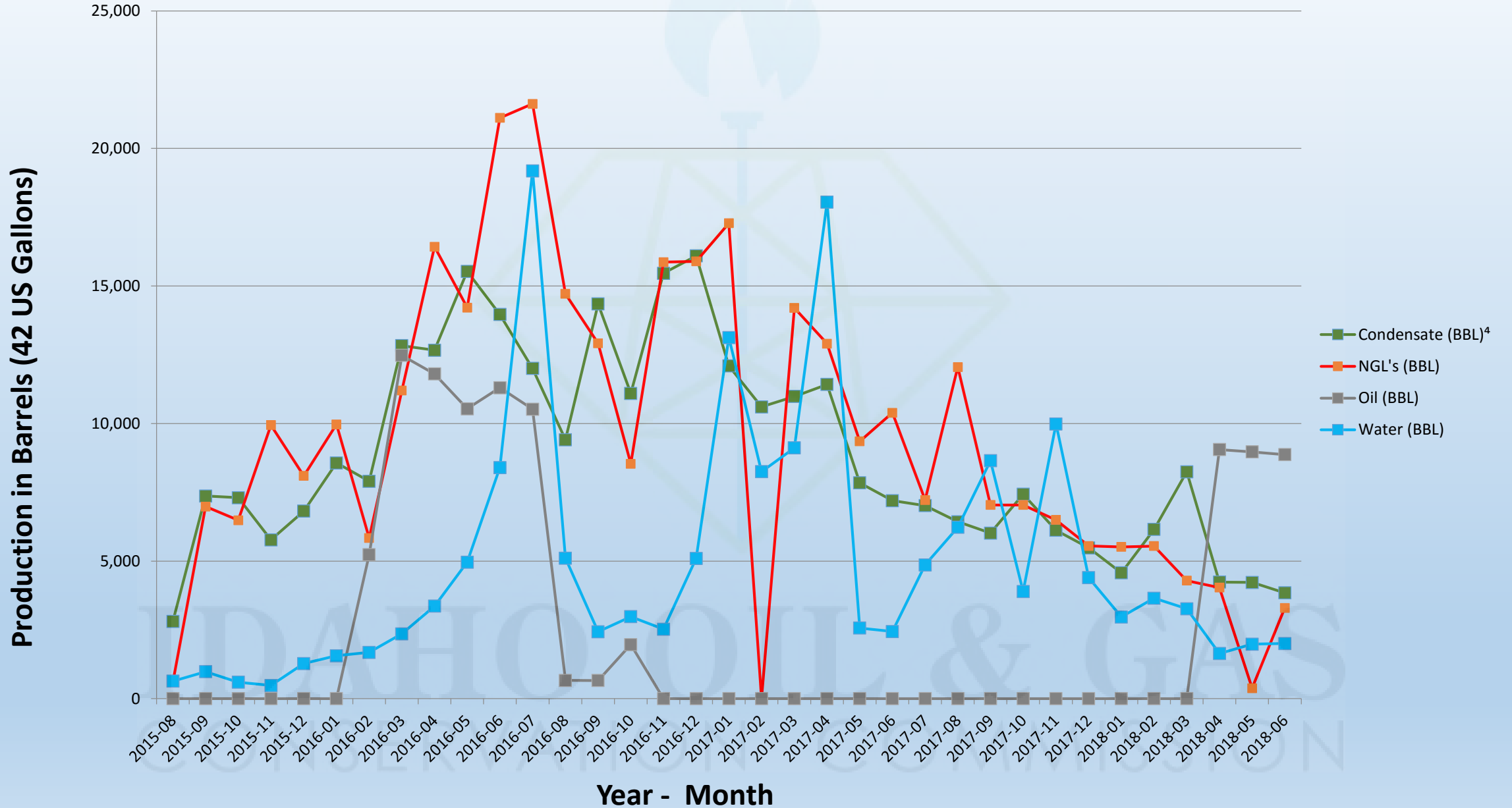
## 2nd Quarter 2018 versus 1st Quarter 2018

<u>Volumes Produced</u>	<u>Cum. Gas (MCF)</u>	<u>Condensate (BBL)</u>		<u>Cum. Oil (BBL)</u>	<u>H2O (BBL)</u>
1st Quarter 2018	581,524.00	18,973.00		0.00	9,887.00
2nd Quarter 2018	483,238.00	12,309.00		26,896.00	5,625.00
Increase/ <b>Decrease</b>	<b>98,286.00</b>	<b>6664</b>		26,896.00	<b>4,262.00</b>
% Difference	<b>-17%</b>	<b>-35%</b>		26,896%	<b>-43%</b>
vs 2nd Qtr 2017	<b>-51%</b>	<b>-53%</b>		26,896%	<b>-76%</b>
<u>Volumes Sold</u>	<u>Gas (MMBtu)</u>	<u>Condensate (BBL)</u>	<u>NGLs (gallons)</u>	<u>Oil (BBL)</u>	
1st Quarter 2018	657,521	24,548.19	734,566.00	0.00	
2nd Quarter 2018	518,132	14,045.34	494,549.00	19,791.55	
Increase/ <b>Decrease</b>	<b>139,389</b>	<b>10,502.85</b>	<b>240,017.00</b>	19,791.55	
% Difference	<b>-21%</b>	<b>-43%</b>	<b>-33%</b>	19,792%	
vs 2nd Qtr 2017	<b>-51%</b>	<b>-52%</b>	<b>-65%</b>	19,792%	

# WILLOW FIELD – TOTAL PRODUCTION BY MONTH



# WILLOW FIELD – LIQUIDS PRODUCTION BY MONTH



# WILLOW FIELD – GAS PRODUCTION BY MONTH



# Well & Permit Activity

## 2nd Quarter 2018

<u>Wells</u>	<u>Active Permits</u>	<u>Drilling wells</u>	<u>Producing wells</u>	<u>Comments</u>		
April	18	0	7			
May	18	0	8	ML Investments #2-3 online		
June	19	0	8	Fallon #1-11 Permit Approved		
<u>Other</u>	<u>Sundry Notices</u>	<u>Workovers</u>	<u>APDs Received</u>	<u>APDs Approved</u>	<u>APDs Denied</u>	
April	2	1	0	0	0	
May	1	1	1	0	0	
June	0	0	0	1	0	

**TITLE 47**  
**MINES AND MINING**  
**CHAPTER 3**  
**OIL AND GAS WELLS — GEOLOGIC INFORMATION, AND PREVENTION OF**  
**WASTE**

**§ 47-315(9) The commission shall require the department to perform the following activities on an annual basis:**

- (a) Inspect and report on all active well sites and equipment;**
- (b) Visit and file a report on production and processing facilities; and**
- (c) Submit an opinion as to any areas of concern, as identified on inspection reports.**

**Note: IDAPA 20.07.02.430.05 requires the Department to conduct quarterly facility inspections.**

# Inspection Activity – 2nd Quarter 2018

- **Well Inspections**
  - 5 – General Operations, Post-Drill
- **Two Gas Facility Inspections**
  - Idaho Code § 47-315(9) – Annual
  - IDAPA 20.07.02.430.05 - Quarterly
- **No Issues or Concerns**
- **No Citations Issued**
- **2018 Totals:**
  - 10 Well Inspections
  - 4 Facilities Inspections



# Questions, Comments & Suggestions?



**Thank You**  
**Next Quarterly Report – January 2019**



IDAHO OIL AND GAS CONSERVATION COMMISSION  
October 10, 2018  
Regular Agenda

SUBJECT

Idaho Code § 47-315 – Commission Request to Examine Records of Produced Volumes of Oil and Gas from February 2013 to Present.

BACKGROUND

Idaho Code § 47-315(5)(i) provides the Oil and Gas Conservation Commission (Commission) authority to examine the quantities of oil and gas that were produced during the proceeding five (5) years. These quantities include all volumes of oil and gas removed from the well, including those volumes obtained during testing and completion. Idaho Code § 47-315(5)(i) provides:

(5) Without limiting its general authority, the commission shall have the specific authority to require:

...

(i) That every person who produces oil and gas in the state keep and maintain for a period of five (5) years complete and accurate records of the quantities thereof, which records, or certified copies thereof, shall be available for examination by the commission or its agents at all reasonable times within said period, and that every such person file with the commission such reasonable reports as it may prescribe with respect to such oil and gas production;

At the June 13, 2018 Commission meeting, the Commission requested that the Idaho Department of Lands (Department) ask Alta Mesa to provide explanation as to why production volumes and sold volumes on certain wells varied by more than five percent (Attachment 1).

To help provide clarity to this request, Chairman Dickey, Commissioner Classen and members of the Department's Oil and Gas Division held a teleconference with Alta Mesa representatives on July 10, 2018 to discuss and agree on the best method to fulfill this request. The Commission and Alta Mesa agreed to the following:

- Analysis and explanation of the allocation methods for wells where the reported produced vs. sold volumes are greater than five percent. These wells include the Kauffman 1-9 LT, Kauffman 1-9 UT, Kauffman 1-34, ML Investments 1-3 and ML Investments 2-3. This investigation is to include data for two representative months (one before March 2017; one after). The data shall:
  - identify how allocation is made back to the wells;
  - equate the BTU or MCF value of the raw product at each wellhead to the same values for the finished products.
- Provide an explanation as to the different between gross liquid production volumes for oil and condensate versus reported volumes sold on an individual well basis.

- Provide the monthly volumes moving from the Little Willow facility, through the Highway 30 facility and then to the transporter.
- Investigate the differences in oil volumes produced and oil volumes sold. This includes the Kauffman 1-9 LT.
- Alta Mesa agreed to provide a comparison between the Waterfield allocation volumes and the reported volumes sold.

After evaluating the scope of information requested, Alta Mesa recommended August 31, 2018 as the target date to provide the above information to the Commission. In an email dated August 28, 2018 (Attachment 2), Alta Mesa provided a spreadsheet containing monthly volumes moving from the Little Willow facility, through the Highway 30 facility on to the transporter (Attachment 3). In that email, Alta Mesa indicated that the remaining items would be provided the week of September 3, 2018. However, as of Friday September 7, 2018, that information had not been received by the Department. Idaho code provides authority for the Commission to take action regarding the reporting of records, books and documents in Idaho Code § 47-329 (Attachment 4).

### DISCUSSION

At the September 12, 2018 Commission meeting, the Department updated the Commission on the status of the information request and asked the Commission to direct the Department to take actions that would ensure compliance with the request for explanation. To follow this request, the Department drafted a formal notice of investigation. The Department sent an email to Alta Mesa informing them that this notice of investigation would be sent and provided a time and date of 1:00 PM, September 28<sup>th</sup> for Alta Mesa to provide the requested data (Attachment 5).

Counsel for Alta Mesa responded that there is ongoing discussion regarding what information can and cannot be disclosed without a claim of exemption under the Public Records Act (Attachment 6). On Monday, October 1, 2018, the Department sent the formal notice of investigation to Alta Mesa (Attachment 7).

### RECOMMENDATION

Direct the Department to move forward with the next steps outlined in the October 1, 2018 Notice of Formal Investigation letter, including the subpoena of documents and related witnesses to appear before the Commission to investigate Alta Mesa's compliance with Idaho Code §§ 47-315(i) and 47-324(1).

### COMMISSION ACTION

## ATTACHMENTS

1. Request for additional information - July 5, 2018
2. Email status update from Alta Mesa to the Department August 28, 2018
3. Idaho transportation summary - August 2015 – May 2018
4. Authority of Commission - Idaho Code § 47-329
5. Email notification of the possibility of notice of investigation - September 27, 2018
6. Alta Mesa response to email notification - September 27, 2018
7. Notice of formal investigation to Alta Mesa - October 1, 2018



IDAHO OIL & GAS  
CONSERVATION COMMISSION

**IDAHO DEPARTMENT OF LANDS**  
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MICK THOMAS, DIVISION ADMINISTRATOR  
SECRETARY TO THE COMMISSION

**IDAHO OIL AND GAS**  
**CONSERVATION COMMISSION**  
*Kevin Dickey, Chairman*  
*Marc Shigeta, Vice-Chairman*  
*Renee Breedlovestrout, Ph.D*  
*Jim Classen*  
*David Groeschl*

July 5, 2018

Mr. Haney,

At the June 13, 2018 Oil and Gas Conservation Commission meeting, the Commission discussed the five years of production records that I viewed and recorded at your attorney's office in May 2018. Those records were records of the daily gross well production volumes from May 2013 through February 2018 as measured and recorded at the meters leaving each well and entering the Little Willow Production Facility.

After reviewing these gross well production volumes and comparing them to the statutorily-required reported volumes received on monthly production forms from the beginning of each well until February of 2018, the Commission observed well allocation differences between the produced and sold volumes. To that end, the Commission directed me to follow up with this letter outlining some of these differences, including questions from the Commission regarding those differences, and requesting a detailed explanation of all reasons for those differences.

The Department and Commission understand that gross well production volumes and reported sold volumes typically do not match exactly. This is because when an operator processes raw condensate into a marketable product, a small amount of condensate can change phases between gas and liquid which would impact the respective volumes of each. However, the gross liquid well production volumes Alta Mesa provided in May 2018 appear to be significantly different from the sold volumes reported to the Department and vary beyond what would typically be expected. The allocation differences appear particularly evident in the Kauffman 1-9(LT & UT), Kauffman 1-34, ML Investments 1-3 and ML Investments 2-3 wells.

The Commission therefore requests that Alta Mesa provide additional information and explanation to aid the Commission's understanding of the reasons for these allocation discrepancies. Toward that end, the Commission has the following specific questions and requests for additional documentation of production quantities:

1. Please provide the monthly production volumes as recorded (1) at the meters leaving the Little Willow Facility; and (2) at the meters both entering, and leaving, the Highway 30 Processing Facility from May 2013 through May 2018. The data viewed in May 2018 was from the individual meters recording volumes leaving the well and entering the Little Willow Facility. Providing these additional recorded volumes would add a more detailed account of volumes that would be helpful for the Commission in understanding the reasons for the volume differences. The Commission is asking for these additional

volumes under Idaho Code § 47-315(5)(i), which requires oil producers to maintain complete and accurate records of quantities of oil and gas removed from the well for the Commission to examine. This is not limited to gross production volumes, but also includes all other volumetric records of hydrocarbons produced.

2. With respect to reporting differences in liquid volumes: why are the gross well production volumes of oil and condensate so far off from the reported and sold oil and condensate volumes on an individual well basis, when the cumulative volumes are nearly identical?

- a. Examples:

- i. For the Kauffman 1-9UT from February 2016 until February of 2017, the volumes of oil and condensate reported to the Department totaled 2,076 barrels. The gross volume totals for that same period was 1,014 barrels. The sold volumes are greater than the gross well produced volumes by 1,062 barrels.
    - ii. For the Kauffman 1-34 from October 2015 to March 2017, the volumes of condensate and oil reported to the Department totaled 35,311 barrels. The gross well volume totals for that same period was 50,174 barrels. The sold volumes are less than the gross well produced volumes by 14,863 barrels.
    - iii. For the ML Investments 1-3 from February 2016 through March 2017, the volumes of oil and condensate reported to the Department totaled 48,973 barrels. The gross well volume totals for that same period was 32,768 barrels. The sold volumes are greater than the gross well produced volumes by 16,205 barrels.

3. With respect to additional allocation differences: Why are there significant differences between gross well production volumes and the reported sold volumes of liquids and gas for some wells and not others? Chairman Dickey evaluated the raw production volumes in a chart he provided to the Commission in the meeting materials for the June 2018 meeting. He observed that total liquid volumes for the field as a whole were nearly dead on, with only a 0.2% discrepancy. There is a larger discrepancy with raw gas, but still within an industry standard margin of error at 4.6%.

- a. Examples:

- i. May 2016, Gas reported sold vs. gross production:
      1. Kauffman 1-34: 45,566 mcf sold vs. 48,211 mcf produced.
      2. ML Investments 2-3: 43,080 mcf sold vs. 48,983 mcf produced.

- ii. May 2016, Condensate reported sold vs. gross production:
  1. Kauffman 1-34: 2,212 bbls sold vs. 4,320 bbls produced.
  2. ML Investments 2-3: 2,382 bbls sold vs. 1,635 bbls produced.
4. With respect to additional records to aid in explanation: In verbal conversation between yourself, Commissioner Breedlovestrout and myself, you stated that data reported to the Idaho Tax Commission would be helpful in resolving discrepancies. You repeated this in another meeting with me on June 7, 2018 at the IDL office. The Commission does not have access to this data, but it appears that data could be helpful. If Alta Mesa believes the data provided to the Idaho Tax Commission will help reconcile the reporting differences, then please provide it to the Idaho Oil and Gas Conservation Commission to aid the Commission in understanding Alta Mesa's reporting differences.

Please provide the Commission, by July 13, 2018, your schedule to deliver the documents requested above as well as a documented, detailed, and quantitative explanation for the allocation differences. A thorough and well understood explanation will aid in ensuring confidence in the production volumes reported to the Commission.

In addition to the written explanations and records requested above, the Commission would like to offer Alta Mesa the opportunity to attend a future Commission meeting to present how Alta Mesa has measured production volumes in Idaho and how it has reported those volumes over time. The upcoming Commission meeting dates are July 19, 2018 and August 8, 2018.

The Commission, as well as the Oil & Gas Division, appreciates your assistance in resolving the Commission's questions. Thank you for your help.

Regards,



Mick Thomas  
Oil & Gas Division Administrator  
Secretary to the OGCC

## Mick Thomas

---

**From:** Michael Christian <mchristian@mch-lawyer.com>  
**Sent:** Tuesday, August 28, 2018 8:35 AM  
**To:** Mick Thomas  
**Subject:** Information request  
**Attachments:** Idaho Report.xlsx

Mick –

Per my August 2 email, attached is a spreadsheet showing monthly totals from NWGP. As I mentioned during our phone call yesterday, Jerry Haney is working on the analysis of representative months but expects it will take him into next week to complete.

Thanks,  
Mike

**Michael Christian**  
**MARCUS, CHRISTIAN, HARDEE & DAVIES, LLP**  
737 N. 7th Street  
Boise, ID 83702  
(208) 342-3563  
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IDAHO OIL & GAS  
CONSERVATION COMMISSION

IDAHO OIL AND GAS CONSERVATION COMMISSION  
OIL AND GAS GAS PROCESSING PLANT REPORT FROM AUGUST 2015 - MAY 2018

Gas Processing Plant: Hwy 30 Processing Plant  
Operator: Northwest Gas Processing LLC  
Address: 4241 Hwy 30 S  
New Plymouth, ID 83655

**RECEIPTS INTO GAS PLANT MONTHLY**

Monthly	ENTITY:	WELL NAME /FACILITY NAME	Wet Gas (Mcf)	Condensate (Bbl)
Aug-15	ALTA MESA	LITTLE WILLOW FACILITY	207,768.00	8,309.00
Aug-15	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Sep-15	ALTA MESA	LITTLE WILLOW FACILITY	248,359.00	9,205.00
Sep-15	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Oct-15	ALTA MESA	LITTLE WILLOW FACILITY	195,929.00	9,445.00
Oct-15	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Nov-15	ALTA MESA	LITTLE WILLOW FACILITY	179,608.00	9,402.00
Nov-15	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Dec-15	ALTA MESA	LITTLE WILLOW FACILITY	263,796.00	8,130.00
Dec-15	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Jan-16	ALTA MESA	LITTLE WILLOW FACILITY	274,479.00	8,159.00
Jan-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Feb-16	ALTA MESA	LITTLE WILLOW FACILITY	279,866.00	8,643.00
Feb-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Mar-16	ALTA MESA	LITTLE WILLOW FACILITY	390,493.00	9,856.00
Mar-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Apr-16	ALTA MESA	LITTLE WILLOW FACILITY	401,453.00	11,205.00
Apr-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
May-16	ALTA MESA	LITTLE WILLOW FACILITY	461,934.00	15,966.00
May-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Jun-16	ALTA MESA	LITTLE WILLOW FACILITY	424,683.00	15,363.00
Jun-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Jul-16	ALTA MESA	LITTLE WILLOW FACILITY	425,393.00	15,501.00
Jul-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Aug-16	ALTA MESA	LITTLE WILLOW FACILITY	308,339.00	11,321.00
Aug-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Sep-16	ALTA MESA	LITTLE WILLOW FACILITY	483,359.00	18,102.00
Sep-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Oct-16	ALTA MESA	LITTLE WILLOW FACILITY	389,048.00	14,529.00
Oct-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Nov-16	ALTA MESA	LITTLE WILLOW FACILITY	468,938.00	18,548.00
Nov-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Dec-16	ALTA MESA	LITTLE WILLOW FACILITY	482,962.00	20,590.00
Dec-16	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Jan-17	ALTA MESA	LITTLE WILLOW FACILITY	370,844.00	13,575.00
Jan-17	ALTA MESA	DJS 1-15 WELL	not on line	not on line
Feb-17	ALTA MESA	LITTLE WILLOW FACILITY	347,840.00	12,095.00
Feb-17	ALTA MESA	DJS 1-15 WELL	5,950.00	146.00
Mar-17	ALTA MESA	LITTLE WILLOW FACILITY	400,931.00	17,208.00
Mar-17	ALTA MESA	DJS 1-15 WELL	6,698.00	430.00



Apr-17	ALTA MESA	LITTLE WILLOW FACILITY	351,075.00	15,277.00
Apr-17	ALTA MESA	DJS 1-15 WELL	6,653.00	179.00
May-17	ALTA MESA	LITTLE WILLOW FACILITY	305,146.00	10,865.00
May-17	ALTA MESA	DJS 1-15 WELL	6,301.00	162.00
Jun-17	ALTA MESA	LITTLE WILLOW FACILITY	293,500.00	9,878.00
Jun-17	ALTA MESA	DJS 1-15 WELL	5,945.00	148.00
Jul-17	ALTA MESA	LITTLE WILLOW FACILITY	337,534.00	10,499.00
Jul-17	ALTA MESA	DJS 1-15 WELL	5,664.00	170.00
Aug-17	ALTA MESA	LITTLE WILLOW FACILITY	349,340.00	11,209.00
Aug-17	ALTA MESA	DJS 1-15 WELL	5,521.00	163.00
Sep-17	ALTA MESA	LITTLE WILLOW FACILITY	237,463.00	7,786.00
Sep-17	ALTA MESA	DJS 1-15 WELL	5,370.00	178.00
Oct-17	ALTA MESA	LITTLE WILLOW FACILITY	246,174.00	8,470.00
Oct-17	ALTA MESA	DJS 1-15 WELL	5,214.00	154.00
Nov-17	ALTA MESA	LITTLE WILLOW FACILITY	211,103.00	7,228.00
Nov-17	ALTA MESA	DJS 1-15 WELL	4,872.00	118.00
Dec-17	ALTA MESA	LITTLE WILLOW FACILITY	205,373.00	6,965.00
Dec-17	ALTA MESA	DJS 1-15 WELL	4,933.00	113.00
Jan-18	ALTA MESA	LITTLE WILLOW FACILITY	196,819.00	6,777.00
Jan-18	ALTA MESA	DJS 1-15 WELL	4,930.00	117.00
Feb-18	ALTA MESA	LITTLE WILLOW FACILITY	211,247.00	7,588.00
Feb-18	ALTA MESA	DJS 1-15 WELL	4,352.00	117.00
Mar-18	ALTA MESA	LITTLE WILLOW FACILITY	177,296.00	8,795.00
Mar-18	ALTA MESA	DJS 1-15 WELL	4,808.00	118.00
Apr-18	ALTA MESA	LITTLE WILLOW FACILITY	165,186.00	5,123.00
Apr-18	ALTA MESA	DJS 1-15 WELL	4,398.00	111.00
May-18	ALTA MESA	LITTLE WILLOW FACILITY	159,124.00	5,112.00
May-18	ALTA MESA	DJS 1-15 WELL	4,556.00	114.00

			<b>TOTAL</b>	
			<b>CONDENSATE (Bbl)</b>	
	<b>TOTAL WET GAS (MCF) FROM</b>		<b>FROM 08/2015-</b>	
cognos Reports	<b>08/2015-05/2018</b>	<b>10,538,567.00</b>	<b>05/2018</b>	<b>379,262.00</b>
	water field data dump#	10,538,567.10	water field data dump#	379,259.88
	Rounding difference	0.10		(2.12)

IDAHO OIL & GAS  
CONSERVATION COMMISSION

IDAHO OIL AND GAS CONSERVATION COMMISSION  
OIL AND GAS GAS PROCESSING PLANT REPORT FROM AUGUST 2015 - MAY 2018

Gas Processing Plant: Hwy 30 Processing Plant  
Operator: Northwest Gas Processing LLC  
Address: 4241 Hwy 30 S  
New Plymouth , ID 83655

DELIVERIES OUT OF GAS PLANT

Monthly	ENTITY:	Residue Gas (Mcf)	ENTITY:	Condensate (Bbl)	ENTITY:	Natural Gas Liquids (gals)
Aug-15	WILLIAMS NORTHWEST PIPELINE	193,752.57	CAMPO & POOLE	4,378.00	CAMPO & POOLE	233,187
Sep-15	WILLIAMS NORTHWEST PIPELINE	237,254.85	CAMPO & POOLE	6,287.02	CAMPO & POOLE	223,349
Oct-15	WILLIAMS NORTHWEST PIPELINE	188,420.37	CAMPO & POOLE	6,870.40	CAMPO & POOLE	338,587
Nov-15	WILLIAMS NORTHWEST PIPELINE	173,014.56	CAMPO & POOLE	5,827.40	CAMPO & POOLE	417,175
Dec-15	WILLIAMS NORTHWEST PIPELINE	250,010.60	CAMPO & POOLE	6,856.28	CAMPO & POOLE	351,002
Jan-16	WILLIAMS NORTHWEST PIPELINE	256,213.45	CAMPO & POOLE	8,336.63	CAMPO & POOLE	387,319
Feb-16	WILLIAMS NORTHWEST PIPELINE	260,374.82	CAMPO & POOLE	7,976.38	CAMPO & POOLE	371,148
Mar-16	WILLIAMS NORTHWEST PIPELINE	367,179.79	CAMPO & POOLE	13,245.28	CAMPO & POOLE	393,994
Apr-16	WILLIAMS NORTHWEST PIPELINE	379,129.88	CAMPO & POOLE	12,854.73	CAMPO & POOLE	593,068
May-16	WILLIAMS NORTHWEST PIPELINE	440,173.83	CAMPO & POOLE	15,734.85	CAMPO & POOLE	639,593
Jun-16	WILLIAMS NORTHWEST PIPELINE	401,184.07	CAMPO & POOLE	13,592.40	CAMPO & POOLE	791,702
Jul-16	WILLIAMS NORTHWEST PIPELINE	403,118.92	CAMPO & POOLE	12,010.00	CAMPO & POOLE	801,050
Aug-16	WILLIAMS NORTHWEST PIPELINE	293,585.85	CAMPO & POOLE	9,203.10	CAMPO & POOLE	743,786
Sep-16	WILLIAMS NORTHWEST PIPELINE	466,155.69	CAMPO & POOLE	14,556.94	CAMPO & POOLE	529,946
Oct-16	WILLIAMS NORTHWEST PIPELINE	374,171.66	CAMPO & POOLE	11,154.60	CAMPO & POOLE	667,195
Nov-16	WILLIAMS NORTHWEST PIPELINE	448,189.34	CAMPO & POOLE	15,421.82	CAMPO & POOLE	551,691
Dec-16	WILLIAMS NORTHWEST PIPELINE	461,691.91	CAMPO & POOLE	16,106.06	CAMPO & POOLE	702,495
Jan-17	WILLIAMS NORTHWEST PIPELINE	354,540.11	CAMPO & POOLE	11,651.18	CAMPO & POOLE	735,645
Feb-17	WILLIAMS NORTHWEST PIPELINE	340,099.00	CAMPO & POOLE	10,598.17	CAMPO & POOLE	461,077
Mar-17	WILLIAMS NORTHWEST PIPELINE	390,157.00	CAMPO & POOLE	13,931.00	CAMPO & POOLE	399,613
Apr-17	WILLIAMS NORTHWEST PIPELINE	344,267.00	CAMPO & POOLE	11,375.66	CAMPO & POOLE	596,561
May-17	WILLIAMS NORTHWEST PIPELINE	302,082.00	CAMPO & POOLE	9,371.04	CAMPO & POOLE	542,004
Jun-17	WILLIAMS NORTHWEST PIPELINE	284,965.00	CAMPO & POOLE	8,672.30	CAMPO & POOLE	417,853
Jul-17	WILLIAMS NORTHWEST PIPELINE	328,190.00	CAMPO & POOLE	8,442.46	CAMPO & POOLE	392,771
Aug-17	WILLIAMS NORTHWEST PIPELINE	338,626.00	CAMPO & POOLE	9,915.12	CAMPO & POOLE	424,649
Sep-17	WILLIAMS NORTHWEST PIPELINE	232,447.00	CAMPO & POOLE	6,017.25	CAMPO & POOLE	506,270
Oct-17	WILLIAMS NORTHWEST PIPELINE	241,009.00	CAMPO & POOLE	7,431.83	CAMPO & POOLE	295,698
Nov-17	WILLIAMS NORTHWEST PIPELINE	206,694.00	CAMPO & POOLE	6,119.77	CAMPO & POOLE	329,373
Dec-17	WILLIAMS NORTHWEST PIPELINE	201,172.00	CAMPO & POOLE	5,479.63	CAMPO & POOLE	272,770
Jan-18	WILLIAMS NORTHWEST PIPELINE	193,717.00	CAMPO & POOLE	6,151.52	CAMPO & POOLE	231,623
Feb-18	WILLIAMS NORTHWEST PIPELINE	207,570.00	CAMPO & POOLE	6,151.62	CAMPO & POOLE	232,911
Mar-18	WILLIAMS NORTHWEST PIPELINE	173,987.00	CAMPO & POOLE	8,247.66	CAMPO & POOLE	180,274
Apr-18	WILLIAMS NORTHWEST PIPELINE	162,178.00	CAMPO & POOLE	3,625.79	CAMPO & POOLE	181,189
May-18	WILLIAMS NORTHWEST PIPELINE	156,118.00	CAMPO & POOLE	4,950.93	CAMPO & POOLE	213,160

	<b>TOTAL Residue Gas (Mcf) FROM</b>		<b>TOTAL Condensate</b>		<b>TOTAL Natural Gas</b>
	<b>08/2015-05/2018</b>		<b>(Bbl) FROM 08/2015-</b>		<b>Liquids (gals)</b>
	<b>10,051,440.27</b>		<b>05/2018</b>		<b>FROM 08/2015-</b>
			<b>318,544.82</b>		<b>05/2018</b>
					<b>15,149,730.03</b>



# Idaho Statutes

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TITLE 47  
MINES AND MINING  
CHAPTER 3

OIL AND GAS WELLS – GEOLOGIC INFORMATION, AND PREVENTION OF  
WASTE

47-329. POWERS OF COMMISSION – WITNESSES – PENALTY. (1) The commission shall have the power to summon witnesses, to administer oaths, and to require the production of records, books, and documents for examination at any hearing or investigation conducted by the commission.

(2) In case of failure or refusal on the part of any person to comply with a subpoena issued by the commission, or in case of refusal of any witness to testify as to any matter regarding which he may be interrogated, any district court in the state, upon the application of the commission, may issue an attachment for such person and compel him to comply with such subpoena, and to attend before the commission and produce such records, books, and documents for examination, and to give his testimony. Such court shall have the power to punish for contempt as in the case of disobedience to a like subpoena issued by the court, or for refusal to testify therein.

(3) Any person who violates or fails to comply with any of the provisions of this chapter or any rules or orders made or promulgated hereunder may be assessed a civil penalty by the commission or its duly authorized agent of not more than ten thousand dollars (\$10,000) for each violation and shall be liable for reasonable attorney's fees. Each day the violation continues shall constitute a separate and additional violation, punishable by separate and additional civil penalties in like amount or other like civil penalties as determined by the commission; provided that the civil penalties do not begin to accrue until the date notice of violation and opportunity to be heard are given.

(a) Assessment of a civil penalty may be made in conjunction with any other commission administrative action.

(b) No civil penalty may be assessed unless the person charged was given notice and opportunity for a hearing pursuant to chapter 52, title 67, Idaho Code, which civil penalty begins to accrue no earlier than the date notice of violation and opportunity for a hearing are given.

(c) If the commission is unable to collect such penalty or if any person fails to pay all or a set portion of the civil penalty as determined by the commission, it may recover such amount by action in the appropriate district court.

(d) Any person against whom the commission has assessed a civil penalty under the provisions of this section may,

within twenty-eight (28) days of the final action by the agency making the assessment, appeal the assessment to the district court of the county in which the violation is alleged by the commission to have occurred pursuant to chapter 52, title 67, Idaho Code.

(e) All civil penalties collected pursuant to this section shall be remitted to the oil and gas conservation fund.

(4) Whenever it shall appear that any person is violating or threatening to violate any provision of this act or any rule, regulation, or order made hereunder, the commission may bring a civil action in the name of the state against such person in the district court in the county of the residence of the defendant, or in the county of the residence of any defendant, if there be more than one (1) defendant, or in the county where the violation is alleged to have occurred, to restrain such person from continuing such violation or from carrying out the threat of violation. In such suit, the court may grant injunctions, prohibitory and mandatory, including temporary restraining orders and temporary injunctions. In such suit, the commission may seek damages to recover costs caused by such violation including, but not limited to, costs of well control, spill response and cleanup, restoration of fresh waters, well plugging and abandonment, and reclamation of surface disturbance.

(5) Nothing in this act, and no suit by or against the commission, and no violation charged or asserted against any person under any provisions of this act, or any rule, regulation or order issued hereunder, shall impair or abridge or delay any cause of action for damages which any person may have or assert against any person violating any provision of this act, or any rule, regulation, or order issued thereunder. Any person so damaged by the violation may sue for and recover such damages as he otherwise may be entitled to receive. In the event the commission shall fail to bring suit to enjoin any actual or threatened violation of this act, or of any rule, regulation or order made hereunder, then any person or party in interest adversely affected and who has, ten (10) days or more prior thereto, notified the commission in writing of such violation or threat thereof and has requested the commission to sue, may, to prevent any or further violation, bring suit for that purpose in the district court of any county in which the commission could have brought suit.

(6) Any person who knowingly violates any provision of this chapter, or any of the rules promulgated hereunder for carrying out the provisions of this chapter, or who knowingly fails or refuses to comply with any requirements herein specified, or who knowingly interferes with the commission, its agents, designees or employees in the execution or on account of the execution of its or their duties under this chapter or rules promulgated hereunder, shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than five thousand dollars (\$5,000) or be imprisoned in a

county jail for not more than twelve (12) months, or be subject to both such fine and imprisonment.

(7) Nothing in this chapter shall be construed as requiring the commission to report minor violations for prosecution when it believes that the public interest will be best served by suitable warnings or other administrative action.

History:

[(47-329) 47-325, added 1963, ch. 148, sec. 11, p. 433; am. 2012, ch. 73, sec. 3, p. 213; am. 2012, ch. 80, sec. 1, p. 230; am. and redesign. 2017, ch. 271, sec. 22, p. 701.]

How current is this law?

**Search the Idaho Statutes and Constitution**



IDAHO OIL & GAS  
CONSERVATION COMMISSION

## Mick Thomas

---

**From:** Mick Thomas  
**Sent:** Thursday, September 27, 2018 10:46 AM  
**To:** Jerry Haney; mchristian@mch-lawyer.com  
**Cc:** James Thum; kristina.fugate@ag.idaho.gov  
**Subject:** Idaho Production Allocation Data

Jerry,

In conversations with Mike over the past few weeks, I've learned that Alta Mesa has the information ready to send regarding the explanation of allocation. I've drafted a formal notice of investigation to send to Alta Mesa that discusses the steps the department (on behalf of the commission) may take in order to gain access to the allocation information. I want to give Alta Mesa the opportunity to provide the information if it's ready. Please provide the additional data requested below by 1:00 PM MST, September 28<sup>th</sup>, otherwise I'll send the official notice to you on Friday afternoon.

Here what we still need:

- Analysis and explanation of the allocation methods for wells where the differences between the reported produced vs. sold volumes are greater than five percent. These wells include the Kauffman 1-9 LT, Kauffman 1-9 UT, Kauffman 1-34, ML Investments 1-3, and ML Investments 2-3. This investigation is to include data for two representative months (one before March 2017, one after), that identifies how allocation is made back to the wells, and equates the BTU or MCF value of the raw product at each wellhead to the same values for the finished products.
- A report of Alta Mesa's agreed-upon investigation of the differences in oil volumes produced and oil volumes sold. This report will apply only to the Kauffman 1-9 LT because it is the only well that has produced oil.
- A comparison between the Waterfield Allocation volumes and the reported volumes sold.
- Explanation of why the gross liquid production volumes for oil and condensate are so different from reported volumes sold on an individual well basis, while the cumulative volumes are nearly identical.

Mike mentioned that you and/or another Alta Mesa representative may come up in person to explain the information. That would be fine, but that discussion would be with the commission at a regular meeting.

Thanks for the cooperation in all of this.

**Mick Thomas**

**Division Administrator, Oil & Gas**

**Secretary to the Oil & Gas Commission**

(208) 334-0298 Office

Website: <https://ogcc.idaho.gov>

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## Mick Thomas

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**From:** Michael Christian <mchristian@mch-lawyer.com>  
**Sent:** Thursday, September 27, 2018 10:58 AM  
**To:** Mick Thomas  
**Cc:** Jerry Haney; James Thum; kristina.fugate@ag.idaho.gov  
**Subject:** Re: Idaho Production Allocation Data

Mick, as I believe I indicated, I'm traveling today and out of the office until October 4. I will try to speak with Jerry tomorrow about this and make some decisions about what we can and cannot disclose without a claim of exemption from production under the Public Records Act, which I noted in my last written communication listing the items that Jerry has gathered. I am not in a position to assert those claims by tomorrow. If you feel need to send a formal demand on Friday, I understand. As I also stated before, it is our strong belief that there needs to be a meeting to educate you and whoever else on your staff is appropriate before any presentation to the Commission.

Thanks,  
Mike

Sent from my iPhone

On 27 Sep 2018, at 17:45, Mick Thomas <[mthomas@idl.idaho.gov](mailto:mthomas@idl.idaho.gov)> wrote:

Jerry,

In conversations with Mike over the past few weeks, I've learned that Alta Mesa has the information ready to send regarding the explanation of allocation. I've drafted a formal notice of investigation to send to Alta Mesa that discusses the steps the department (on behalf of the commission) may take in order to gain access to the allocation information. I want to give Alta Mesa the opportunity to provide the information if it's ready. Please provide the additional data requested below by 1:00 PM MST, September 28<sup>th</sup>, otherwise I'll send the official notice to you on Friday afternoon.

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Mike mentioned that you and/or another Alta Mesa representative may come up in person to explain the information. That would be fine, but that discussion would be with the commission at a regular meeting.

Thanks for the cooperation in all of this.

**Mick Thomas**

**Division Administrator, Oil & Gas**

**Secretary to the Oil & Gas Commission**

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IDAHO OIL & GAS  
CONSERVATION COMMISSION



**IDAHO DEPARTMENT OF LANDS**  
**DIRECTOR'S OFFICE**  
300 N 6th Street Suite 103  
PO Box 83720  
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MICK THOMAS, DIVISION ADMINISTRATOR  
SECRETARY TO THE COMMISSION

**IDAHO OIL AND GAS**  
**CONSERVATION COMMISSION**  
*Kevin Dickey, Chairman*  
*Marc Shigeta, Vice-Chairman*  
*Jim Classen*  
*Renee Love, Ph.D*  
*Dustin T. Miller*

October 1, 2018

Jerry Haney  
Alta Mesa Services  
15021 Katy Freeway  
Suite 400  
Houston TX 77094

Mr. Haney,

Earlier this year the Idaho Oil and Gas Conservation Commission examined five (5) years of Alta Mesa's oil and gas produced volume records and asked Alta Mesa for additional documents and information explaining how those produced volumes related to the sold and produced volumes already reported to the Department. In a July 13, 2018 e-mail, Alta Mesa agreed to provide the requested additional items to the Department by August 31. While Alta Mesa and the Department have communicated several times since then and Alta Mesa has provided some of the documents requested, Alta Mesa has not provided the Department with everything requested. As of October 1, the Department has not received the following information Alta Mesa agreed to provide:

- Analysis and explanation of the allocation methods for wells where the differences between the reported produced vs. sold volumes are greater than five percent. These wells include the Kauffman 1-9 LT, Kauffman 1-9 UT, Kauffman 1-34, ML Investments 1-3, and ML Investments 2-3. This investigation is to include data for two representative months (one before March 2017, one after), that identifies how allocation is made back to the wells, and equates the BTU or MCF value of the raw product at each wellhead to the same values for the finished products.
- A report of Alta Mesa's agreed-upon investigation of the differences in oil volumes produced and oil volumes sold. This report will apply only to the Kauffman 1-9 LT because it is the only well that has produced oil.
- A comparison between the Waterfield Allocation volumes and the reported volumes sold.
- Explanation of why the gross liquid production volumes for oil and condensate are so different from reported volumes sold on an individual well basis, while the cumulative volumes are nearly identical.

The Department has authority, on behalf of the Commission, to "make such investigations as it deems proper to determine whether action by the commission in discharging its duties is necessary." Idaho Code § 47-315(3). This letter is formal notice that the Department is beginning an investigation into whether Alta Mesa has complied with Idaho Code § 47-324(1)(a)'s requirement to file monthly production reports that "properly account for all oil, gas and water production and disposition from each well, including the amounts of oil and gas sold from each well." As the Department has explained before, the differences described in the bulleted items above leave the Department with questions

Jerry Haney  
October 1, 2018  
Page 2

about whether the numbers in Alta Mesa's filed production reports are accurate. For that reason, the Department is now beginning a formal investigation into the matter.

As part of a formal investigation, the Department has authority to obtain the information requested above under Idaho Code § 47-329(1), which provides:

*The commission shall have the power to summon witnesses, to administer oaths, and to require the production of records, books, and documents for examination at any hearing or investigation conducted by the commission.*

The next step in the Department's investigation will be to subpoena these documents and related witnesses to appear before the Commission to investigate Alta Mesa's compliance with Idaho Code § 47-324(1). However, if Alta Mesa provides the requested documents and information voluntarily before **October 9, 2018**, and the information provided is sufficient to verify the information in Alta Mesa's filed production reports, the scheduling of a hearing before the Commission may not be necessary.

Regards,



Mick Thomas  
Division Administrator, Oil & Gas  
Secretary to the Oil & Gas Commission

IDAHO OIL & GAS  
CONSERVATION COMMISSION