

December 20, 2018

We ask you to set aside Mr. Risch's protective and recommended orders. None of the information we are seeking falls under any of the categories described in IC 47-327. CONFIDENTIALITY OF WELL AND TRADE INFORMATION. Despite this fact, our attempts to receive our information without a protective order were unsuccessful; therefore, we were severely disadvantaged in meeting our burden of proof and requested Mr. Risch prepare his recommended order without the hearing.

We believe Alta Mesa enters into non-arm's-length transactions with their midstream affiliates, use that low price for royalty payments; then, turn around and sell the minerals at market value pocketing the difference. We believe this is why Alta Mesa is so determined to hide behind their curtain of what they claim to be proprietary information. Alta Mesa wants to keep this information firmly in their control. Mr. Risch's protective and recommended orders help Alta Mesa continue this practice.

IC 47-332. REPORTS TO ROYALTY OWNERS (4) entitles us to the information we need to prove our case. Mr. Christian likes to focus on the words "make available", but let me read all the words. "The lessee must maintain, for a period of five (5) years, and make available to the lessor upon request, copies of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of the amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records that the lessor may require to verify the gross production, disposition and market value." We are entitled to receive "copies" of all this material without a protective order. I do not see anywhere that says terms and conditions may apply. The law is very clear. In fact, according to IC 47-324. REPORTING REQUIREMENTS and IC 47-326. PUBLIC DATA much of the information should be readily available to us without submitting a public records request. Yet, Alta Mesa continues to display blatant disregard for Idaho law. We do not understand why Alta Mesa is not penalized for non-compliance as prescribed in IC 47-324 (7). Is it possible someone within the Department of Lands is assisting Alta Mesa in avoiding compliance and penalties in this matter?

Mr. Christian uses other cases to bolster his opinion in this case. However, those cases have no bearing in this case. At this point, this case is about Alta Mesa refusing to obey certain Idaho laws. How long will this be allowed to continue? No one should be subjected to this year long unpleasant process in an attempt to obtain information to which they are legally entitled without a protective order. Much of this information should be readily available on the OGCC website.

Over the past four years we have been trying to communicate our concerns about Alta Mesa to the Governor's Office, the Attorney General's Office, the State Tax Commission, all of the Legislators, and the Department of Lands. If Alta Mesa is defrauding us, most likely Alta Mesa is defrauding the State and everyone receiving royalty payments from Alta Mesa in Idaho. We all need to know the truth. We ask you, the State of Idaho Oil and Gas Conservation Commission to exercise your authority granted to you by the State Legislature to demand transparency and to bring Alta Mesa into compliance with Idaho laws.

Again, we respectfully request you set aside Mr. Risch's protective and recommended orders.

Thank you,

Randy and Thana Kauffman