

January 30, 2019

The Honorable Brad Little
Governor of Idaho
Statehouse
700 W. Jefferson St.
Boise, ID 83720

Re: Disclosure of a potential conflict of interest.

Dear Governor Little:

As you know, I am a commissioner on the Idaho Oil and Gas Conservation Commission (“Commission”). I was appointed as the county commissioner representative and elected to that position by Payette County commissioners under Idaho Code § 47-314(1)(a). This letter serves as notice to my appointing authority, pursuant to Idaho Code § 74-404(3), that I had a potential conflict of interest in matters pending before the Commission. I have discussed this issue with legal counsel for the Commission.

AM Idaho, LLC and Alta Mesa Services, LP (collectively “Alta Mesa”) are developing oil and gas resources in Idaho. At a meeting on December 20, 2018, the Commission considered a recommended order addressing a complaint by Randy and Thana Kauffman. Their complaint included allegations that Alta Mesa violated the Oil and Gas Conservation Act by underpaying royalties to the Kauffmans and by not providing the information required by statute. The Commission declined to adopt the hearing officer’s recommended order granting a protective order to Alta Mesa and remanded to the hearing officer for further proceedings. Another ongoing matter before Commission is an investigation into how Alta Mesa allocated production volumes back to individual wells.

My potential conflict of interest in the Kauffman matter and the production allocation investigation arose from my oil and gas lease with Alta Mesa. I own mineral rights, and I had leased my minerals to AM Idaho, LLC. However, my mineral rights are not in the same units as the Kauffmans and not included in any producing units. My lease also expired by its terms on January 28, 2019.

I will disclose this potential conflict of interest at the next Commission meeting and will also disclose to the parties in the Kauffman matter before an order is issued. While I acknowledge I had a potential conflict of interest in these matters, I have and will continue to impartially evaluate and participate in these matters.

I appreciate the opportunity to serve on the Commission.

Sincerely,



Marc Shigeta

cc: OGCC Secretary Mick Thomas