

IDAHO OIL AND GAS CONSERVATION COMMISSION OPEN MEETING CHECKLIST

FOR MEETING DATE: April 23, 2019

Regular Meetings

4/15/19	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) calendar days before meeting.
4/15/19	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) calendar days before meeting.
4/15/19	Notice of Meeting posted in prominent place at meeting location five (5) calendar days before meeting.
4/15/19	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) calendar days before meeting.
4/15/19	Notice of Meeting posted electronically on the OGCC public website https://ogcc.idaho.gov/ five (5) calendar days before meeting.
4/19/19	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
4/19/19	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
4/19/19	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
4/19/19	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
4/19/19	Agenda posted electronically on the OGCC public website https://ogcc.idaho.gov/ forty-eight (48) hours before meeting.
12/21/18 3/4/19	Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA <ul style="list-style-type: none"> • Revised Annual meeting schedule posted – Director's Office, Boise and Staff Office, CDA

Special Meetings

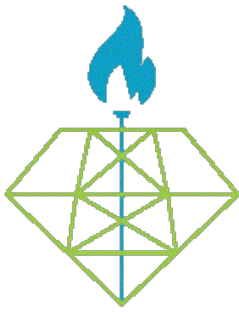
	Notice of Meeting and Agenda posted in a prominent place in IDL's Boise Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in a prominent place in IDL's Coeur d'Alene Headquarters office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda 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 https://ogcc.idaho.gov/ 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 https://ogcc.idaho.gov/ 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

4/19/19
 DATE



IDAHO OIL AND GAS CONSERVATION COMMISSION

Marc Shigeta, Vice Chairman
Jim Classen, Commissioner
Betty Coppersmith, Commissioner
Dr. Renee Love, Commissioner
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

NOTICE OF PUBLIC MEETING APRIL 2019

The Idaho Oil and Gas Conservation Commission will hold a Regular Meeting on **Tuesday, April 23, 2019** 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>

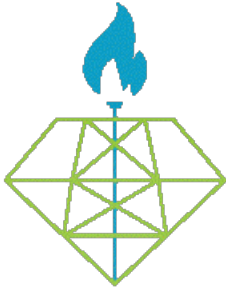
IDAHO OIL & GAS
CONSERVATION COMMISSION

First Notice Posted: 4/15/2019-IDL Boise; 4/15/2019-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

Marc Shigeta, Vice Chairman
Jim Classen, Commissioner
Betty Coppersmith, Commissioner
Dr. Renee Love, Commissioner
Dustin T. Miller, Commissioner

Mick Thomas, Secretary to the Commission

Final Agenda

Idaho Oil and Gas Conservation Commission Regular Meeting

April 23, 2019 – 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. Public comment may be limited to three minutes per person or group representative.

- **REGULAR – ACTION ITEM(S)**

- 1. Election of Interim Chairman and Vice Chairman**

- 2. 2019 Commission Meeting Schedule**

- **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-2016-OGR-01-004 and *CAIA v. Schultz*, United States Court for the District of Idaho Case No. 1:17-cv-00264-BLW]
- B. 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-2019-OGR-01-001; ML Investments #1-11]

- **REGULAR – ACTION ITEM(S)**

- 3. Docket No. CC-2016-OGR-01-004; Hearing on Vacating Order**

Idaho Oil and Gas Conservation Commission
Final Agenda
Regular Meeting (Boise) – April 23, 2019
Page 1 of 2

4. **Procedures used to comply with the United States District Court for the District of Idaho's Order in *Citizens Allied for Integrity and Accountability, Inc. et al., v. Schultz et al.*, Case No. 1:17-cv-00264-BLW.**
5. **Docket No. CC-2019-OGR-01-001; ML Investments #1-11 – Notice of Violation – *Joint Motion to Accept Settlement Agreement and Consent Order* – Presented by Kristina Fugate, Deputy Attorney General**
6. **State Review of Oil and Natural Gas Environmental Regulation (S.T.R.O.N.G.E.R.) – Presented by Mick Thomas, Division Administrator – Oil and Gas**
- **CONSENT – ACTION ITEM(S)**
7. **Approval of Minutes – February 13, 2019 - Regular Meeting (Boise)**
8. **Approval of Minutes – February 26, 2019 - Special Meeting (Boise)**
- **INFORMATION**
9. **Division Administrator's Report**
 - A. Financial Update
 - B. Current Oil and Gas Activity
 - C. Status Update
 - i. Class II Injection Well – Permit Status
 - ii. Docket No. CC-2017-OGR- 01-002 – Kauffman Complaint
10. **Quarterly Report - Fourth Quarter 2018 – Presented by James Thum, Program Manager – Oil and Gas**
11. **Operator Records Examined/Allocation Investigation – Presented by Dave Schwarz – Field Inspector, Oil and Gas**



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

IDAHO OIL AND GAS CONSERVATION COMMISSION

April 23, 2019
Regular Agenda

SUBJECT

Election of Chairman and Vice Chairman

BACKGROUND

As per Idaho Code § 47-314(3):

“The commission shall annually elect a chairman and a vice chairman from their membership. Such officers shall hold their respective offices until their successors are elected. If a vacancy occurs in either office, the commission shall elect a member to fill such office for the remainder of the term.”

DISCUSSION

In January 2019, Chairman Kevin Dickey resigned from the Idaho Oil and Gas Conservation Commission (Commission). At the February 13, 2019 regular Commission meeting, the Commission voted to delay the election of the interim chair for the Commission until the next regularly scheduled meeting.

As per Idaho Code § 47-314(3), the Commission shall elect a member to fill the role of Chairman for the remainder of the term which ends in August 2019. If the acting Chairman is elected Chairman, than a Vice Chairman will also need to be elected.

RECOMMENDATION

Direct the Commission to elect a Chairman and Vice Chairman.

COMMISSION ACTION

IDAHO OIL AND GAS CONSERVATION COMMISSION
April 23, 2019
Regular Agenda

SUBJECT

2019 Commission Meeting Schedule for the remainder of the calendar year

BACKGROUND

As per Idaho Code § 47-314(4):

“The commission shall meet at least annually and thereafter on dates set by the commission. A majority of the members shall constitute a quorum.”

The Idaho Department of Lands (Department) is the administrative arm of the Idaho Oil and Gas Conservation Commission (Commission). The Department is bringing a proposed meeting schedule for the remainder of the 2019 calendar year for review.

DISCUSSION

The Department would like to reduce the monthly meetings for the Commission to either bi-monthly or quarterly. In 2016, the Commission schedule was modified to have monthly meetings. This was done in anticipation of increased oil and gas activity in the state. Recently, production and activity have declined. A bi-monthly or quarterly meeting schedule is more appropriate for the current level of activity in the state. A special meeting could be scheduled as needed, and the potential hearing dates schedule will remain in effect.

If bi-monthly meetings occur, the Department suggests meeting in even months. If quarterly meetings occur, the Department suggests the following months: February, May, August, and November.

DEPARTMENT RECOMMENDATION

The Department recommends the Commission meet either bi-monthly or quarterly for the remainder of the 2019 calendar year.

COMMISSION ACTION

IDAHO OIL AND GAS CONSERVATION COMMISSION
April 23, 2019
Regular Agenda

SUBJECT

Hearing on Vacating Order in Docket No. CC-2016-OGR-01-004

BACKGROUND

In January 2017, the Director of the Idaho Department of Lands (Department) issued a spacing and integration order (Director's Order) in Docket No. CC-2016-OGR-01-004. The Director's Order was appealed to the Oil and Gas Conservation Commission (Commission), who affirmed and adopted the Director's Order and issued a Final Order spacing and integrating that unit.

On June 21, 2017, Citizens Allied for Integrity and Accountability, Inc., Charlene Quade, Rachel Holtry, Brittany Sandoval, and Cristian Sandoval filed a lawsuit against the Director and the Commission. The lawsuit alleged that the spacing and integration orders issued in Docket No. CC-2016-OGR-01-004 denied due process of law.

The United States District Court for the District of Idaho issued an order requiring the Commission to:

- (1) vacate the Commission's March 7, 2017 Final Order spacing and integrating the above-captioned unit in Docket No. CC-2016-OGR-01-004;
- (2) vacate the Administrator's July 16, 2018 Findings of Fact, Conclusions of Law, and Order¹ amending the March 7, 2017 Final Order in the same docket;
- (3) rescind any leases entered as a result of the Final Order and Director's Order; and
- (4) "hold a new hearing that complies with due process by explaining the factors that will be considered when determining whether the terms and conditions of an integration order are 'just and reasonable.'"

Memorandum Decision and Order 22-23 (Case No. 1:17-cv-00264-BLW, Aug. 13, 2018).

DISCUSSION

To initiate compliance with the court's order, on March 27, 2019, the Commission issued a Notice of Hearing to Vacate Order (Attachment 1) to allow the parties to Docket No. CC-2016-OGR-01-004 to be heard regarding compliance with the court's order. Specifically, the Commission asked for comments on "the procedures and steps" it should take to comply with the court's order. The Commission did not indicate that it would be holding a hearing on the substantive issue of what factors it would consider in determining just and reasonable.

¹ In April 2018, AM Idaho, LLC and Alta Mesa Services, LP filed a petition to amend the 2017 spacing and integration order adopted by the Oil and Gas Commission. The Oil and Gas Division Administrator ("Administrator") issued his Findings of Fact, Conclusions of Law, and Order on July 16, 2018, which granted the Applicants' petition to amend with certain modifications as explained in the July 16, 2018 order.

The Commission mailed the Notice of Hearing to Vacate Order to all of the addresses it has for mineral interest owners within the spacing unit subject to those orders, the attorney representing several mineral owners, as well as mailing to the applicant, AM Idaho, LLC and Alta Mesa Services, LP. In response to the Notice, the Commission received one motion (Attachment 2) and 49 comments (Attachment 3). AM Idaho, LLC filed a response (Attachment 4) to the motion and comments.

The motion was filed by the attorney for the Objecting Landowners and asked the Commission for two things: (1) to provide notice of the hearing to “an expanded pool of effected [sic] landowners, and . . . to provide appropriate opportunity to be heard” and (2) “continue the hearing currently scheduled for April 23 to a later date.” The motion alleges that the Commission’s Notice “was delivered to less than all of the landowners potentially effected by the Court’s Order,” “many of the parcels will have changed hands,” and notice of hearing was not given to all those landowners noticed of the original application. The motion therefore asks the Commission to continue the hearing to a later date to allow for additional notice.

As to the comments filed, at least four of the commenters were mineral interest owners in the affected spacing unit. However, many other commenters appeared to be interested persons that were not mineral interest owners in the spacing unit but took an interest in how the Commission should interpret “just and reasonable terms.”

Aside from the motion to continue the hearing, no commenters opposed the Commission’s vacation of the Commission’s March 7, 2017 Order.

AM Idaho, LLC’s response argues that the Commission is not required to conduct a formal rulemaking and also provides a list of what AM Idaho, LLC believes are factors relevant to determining ‘just and reasonable terms.’ AM Idaho, LLC also argues the motion should be denied as speculative and additional notice is not required.

COMMISSION ACTION

ATTACHMENTS

1. March 27, 2019 – Notice of Hearing to Vacate Order
2. April 9, 2019 – Motion to Enlarge Notice and Continue Hearing filed by James Piotrowski on behalf of Objecting Mineral Interest Owners
3. Comments filed in Response to Notice
4. April 16, 2019 – Reply of Applicant AM Idaho, LLC Pursuant to March 27, 2019 Notice of Hearing to Vacate Order filed by Michael Christian
5. Idaho Code § 47-320

BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION

In the Matter of the Application of AM Idaho,)
LLC and Alta Mesa Services, LP to Establish a)
Spacing Unit and for Integration of All)
Uncommitted Owners in the Proposed Unit)
Consisting of the SE ¼ of Section 9, the SW ¼ of)
Section 10, the NW ¼ of Section 15, and the NE)
¼ of Section 16, Township 8 North, Range 5 West,)
Boise Meridian, Payette County, Idaho.)
AM Idaho, LLC and Alta Mesa Services, LP,)
Applicants.)
_____)

Docket No. CC-2016-OGR-01-004

**NOTICE OF HEARING TO
VACATE ORDER**

NOTICE IS HEREBY GIVEN that the Idaho Oil and Gas Conservation Commission (“Commission”) will hold a hearing at its meeting on Tuesday, April 23, 2019 at 1:00pm (MST) to allow the parties to the above-captioned proceeding an opportunity to be heard regarding the Commission’s compliance with the Memorandum Decisions and Orders entered by the federal district court in *Citizens Allied for Integrity and Accountability, Inc. et al., v. Schultz et al.*, Case No. 1:17-cv-00264-BLW. Said Memorandum Decisions and Orders require the Commission to: (1) vacate the Commission’s March 7, 2017 Final Order¹ spacing and integrating the above-captioned unit in Docket No. CC-2016-OGR-01-004; (2) vacate the Administrator’s July 16, 2018 Findings of Fact, Conclusions of Law, and Order² amending the March 7, 2017 Final Order in the

¹ The Director’s Amended Order and Withdrawal of January 17, 2017 Order was issued January 23, 2017 (“Director’s Amended Order”). After appeal by mineral owners Charlene Quade, Brittany and Cristian Sandoval, and Rachel Holtry, the Commission affirmed and adopted the Amended Order in its entirety and issued its March 7, 2017 Final Order.

² In April 2018, AM Idaho, LLC and Alta Mesa Services, LP (“Applicants”) filed a petition to amend the 2017 spacing and integration order adopted by the Oil and Gas Commission. The Oil and Gas Division Administrator (“Administrator”) issued his Findings of Fact, Conclusions of Law, and Order on July 16, 2018, which granted the Applicants’ petition to amend with certain modifications as explained in the July 16, 2018 order.

same docket; (3) rescind any leases entered as a result of the Final Order and Amended Final Order; and (4) “hold a new hearing that complies with due process by explaining the factors that will be considered when determining whether the terms and conditions of an integration order are ‘just and reasonable.’” *Memorandum Decision and Order 22-23* (Case No. 1:17-cv-00264-BLW, Aug. 13, 2018).

The Commission will allow testimony at its April 23, 2019 meeting from any party or mineral interest owner in the affected unit who wishes to be heard regarding the Commission’s compliance with the Memorandum Decisions and Orders. Particularly, the Commission will hear testimony regarding the procedures and steps the Commission should take to determine terms and conditions that would fulfill the statutory requirement that “[e]ach such integration order shall be upon terms and conditions that are just and reasonable.” Any party wishing to file written comments or wishing to submit motions regarding future proceedings in this matter must do so on or before April 9, 2019. Responses to such motions are due on or before April 16, 2019. All comments and responses should be mailed or e-mailed to Kourtney Romine, Administrative Assistant, Idaho Department of Lands, 300 N. 6th St, Suite 103, P.O. Box 83720, Boise, ID 83720; e-mail:kromine@idl.idaho.gov.

Dated this 27 day of March 2019.



Richard “Mick” Thomas
Secretary to the Idaho Oil and Gas Conservation Commission

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of March 2019, I caused to be served a true and correct copy of *Notice of Hearing to Vacate Order* by the method indicated below and addressed to the following:

AM Idaho, LLC & Alta Mesa Services, LP
c/o Michael Christian
Marcus, Christian, Hardee & Davies, LLP
737 North 7th Street
Boise ID 83702-5595

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

James M. Piotrowski
*Attorney for: Charlene Quade, Brittany &
Christian Sandoval, and Rachel Holtry,*
PO Box 2864
824 W. Franklin Street
Boise ID 83701

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Kristina Fugate
Deputy Attorney General
PO Box 83720
Boise ID 83720-0010

- U.S. Mail, postage prepaid
- State House Mail
- Certified mail, return receipt requested

Joy Vega
Deputy Attorney General
PO Box 83720
Boise ID 83720-0010

- U.S. Mail, postage prepaid
- State House Mail
- Certified mail, return receipt requested

Mick Thomas, Division Administrator
c/o Kourtney Romine
Idaho Department of Lands
PO Box 83720
Boise ID 83720-0050

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

James Thum
Idaho Department of Lands
PO Box 83720
Boise ID 83720-0050

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Leslie & Margaret Gardner Trust
8660 Shannon Rd.
Payette, ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Keith & Nancy Kolar
8680 Shannon Rd
Payette, ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Keith & Nancy Kolar
PO Box 163
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

David & Gretchen Richmond
8531 Washoe Rd
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

David & Gretchen Richmond
8531 Shannon Rd
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

James Webster
8516 Washoe Rd
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

James Webster
10920 Iowa Ave
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Joseph & Dianna Ingalls Hild Trust
8590 Shannon Rd
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Susan Coffman
8640 Shannon Rd
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Jimmie & Norma Greene
8512 Shannon Rd
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Anadarko Land Corp.
1201 Lake Robbins Dr
The Woodlands TX 77380

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

City of Fruitland
Attn: Rick Watkins-City Clerk
PO Box 324
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Jimmie & Judy Hicks
1540 NW 6th Ave
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Cynthia Ann Remington
PO Box 550
Ontario OR 97914

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Frances McConnell & Richard Crotts
PO Box 1534
Carlin, NV 89822

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Alan & Glenda Grace
1755 Killebrew Dr.
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Washoe Irrigation & Water Power Cmpy.
102 N Main St.
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Karen Oltman
8970 Hurd Lane
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Rick & Kristin Adams
2685 Bayberry Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Agile Design Company DBA Agile Homes
PO Box 844
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Michael Crowther
2821 Dogwood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Kenneth Alan
8475 Alden Rd
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Applewood Estates Homeowners Assoc.
PO Box 521
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Lori Arnold
1300 Aspen Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

George Bacus
905 NW 24th St
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Lolita Bailey
2617 N Whitley Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Ramona Becerra
1580 NW 26th St
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Russell Boldman
2402 19th Pl. SE
Puyallup WA 98374

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Robert J Boula
2808 Spruce Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Florida Bowker
2503 Applewood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Shawn Bunger & Nichole Wininger
1380 Poplar Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

David & Maurine Burt
PO Box 804
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Donna Burzota Trust
2600 Applewood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Jose & Cynthia Camarillo
1314 Aspen St
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Scott & Nancy Campbell
2611 Applewood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Carlene Campo
2804 Spruce Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Carlene Campo
PO Box 655
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Dean & Kay Cardin Trust
2736 Spruce Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Derrell & Peggy Childers
1808 7th Ave N.
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Danny & Renee Clarich
1590 Poplar Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Danny & Renee Clarich
3255 Overlook Dr
Parma ID 83660

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Joel Clements
1311 Aspen St
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Beau Clover
1341 Poplar Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Jodi Renee
PO Box 1046
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Richard & Verna Dee Cook
910 Braeburn St
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Frank Chiodi & Olga Cotta
PO Box 988
Fruitland ID 83619

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Rebecca Cowgill & Fernando Rangel
1315 Aspen Dr
Fruitland ID 83619

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Benjamin & Debbie Cox
1005 NW 24th St
Fruitland ID 83619

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Lisa Del Re Marie
910 Golden Ave
Fruitland ID 83619

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Rong Fen Deng & Qiongfang Zhou
2645 Dogwood Ave
Fruitland ID 83619

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James Patrick & Patricia Dille
2635 Dogwood Ave
Fruitland ID 83619

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Robert Wade Douglas
2737 Spruce Dr
Fruitland ID 83619

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James Daniel & Joye Renee Durrett
1581 Poplar Ave
Fruitland ID 83619

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Armando & Kimberly Estillore
2680 Bayberry Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Miguel Herrera & Frances Florez et al
1207 NW 24th St
Fruitland ID 83619

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Jacob & Cory Fortin
2684 Bayberry Dr
Fruitland ID 83619

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Andres & Wren Garcia
1335 Poplar Dr
Fruitland ID 83619

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Gary & Jorai Gardner
1010 Jonathan St
Fruitland ID 83619

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Eric & Christi Garman
1004 Golden Ave
Fruitland ID 83619

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Jose Luis Gonzalez
1008 Golden Ave
Fruitland ID 83619

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Robert and Barbara Graham
1317 Aspen St
Fruitland ID 83619

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Carrie Grant
2683 Bayberry Dr
Fruitland ID 83619

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Kara Gruell
2681 Bayberry Dr
Fruitland ID 83619

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Ronald Hall
2402 Applewood Ave
Fruitland ID 83619

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Thomas & Peggy Hawkins
2400 Applewood Ave
Fruitland ID 83619

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Justin & Jessica Hayes
2723 Dogwood Ave
Fruitland ID 83619

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Nola Hendon
1513 NW 26th St
Fruitland ID 83619

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Bradford & Charlene Henshaw
2694 Bayberry Dr
Fruitland ID 83619

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Ernesto & Lourdes Herrera
PO Box 842
Payette ID 83661

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Miguel Angel Herrera
1207 NW 24th St
Fruitland ID 83619

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Rachael Holtry
1309 Aspen St
Fruitland ID 83619

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Raymond & Alisha Horton
2106 1st Ave N.
Payette ID 83661

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Donna Mae Hume
910 Jonathan St
Fruitland ID 83619

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Terry & Joni Hurre
1003 NW 24th St
Fruitland ID 83619

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Jesus Iniguez
302 SW 4th St
Fruitland ID 83619

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Michael Jacob
2630 Dogwood Ave
Fruitland ID 83619

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Jenkins Jeannette Louise Jenkins
40701 Rancho Vista Blvd #236
Palmdale CA 93551

- U.S. Mail, postage prepaid
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Jeanette Jones
1587 Poplar Dr
Fruitland ID 83619

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Ella Josephson Trust
2612 Winesap Ave
Fruitland ID 83619

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Garry & Sandra Belknap
2735 Spruce Dr
Fruitland ID 83619

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Joseph & Helen Katancik
2727 Dogwood Ave
Fruitland ID 83619

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Willie & Christa Lake
2719 Dogwood Ave
Fruitland ID 83619

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Rogelio & Marlene Lara
2606 Winesap Ave
Fruitland ID 83619

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Rogelio & Marlene Lara
7154 W Waverly Ct
Boise ID 83704

- U.S. Mail, postage prepaid
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Thomas & Connie Limbaugh
PO Box 426
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Codi Lloyd
PO Box 397
Fruitland ID 83619

- U.S. Mail, postage prepaid
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David Martin
2617 Applewood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Randall Gene & Valerie Jean Martindale
2692 Bayberry Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Delores McDaniel
1577 Poplar Ave
Fruitland ID 83619

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James & Lisa McDavid
2687 Bayberry Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Kim Migliaccio
903 NW 24th St
Fruitland ID 83619

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Monarch Holding Company LLC
1710 Kimberly Rd
Twin Falls ID 83301

- U.S. Mail, postage prepaid
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Jose & Rubicelia Moncada
1012 Golden Ave
Fruitland ID 83619

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Gary & Elizabeth Owen
1488 Poplar Ave
Fruitland ID 83619

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Aaron & Megan Pahl
1004 Jonathan St
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Casimiro Jr. & Bobbi Palomo
1006 Jonathan St
Fruitland ID 83619

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Pelican Development LLC
2663 NW 4th Ave
Fruitland ID 83619

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Joe & Sylvia Pendergrass
2748 Spruce Dr
Fruitland ID 83619

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Robert & Amanda Peterson III
1484 Poplar Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Carren Poff & Karen Newman
2693 Bayberry Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Charlene Quade
4802 E Arrow Junction Dr
Boise ID 83716

- U.S. Mail, postage prepaid
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Lonnie Rajkovich
2609 Winesap Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Shawn Christi Richey
1005 Jonathan St
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Michael Roberts
PO Box 22
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Rebecca Romans & Terry Ferrera
2602 Rome Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Crystal Russell
1510 NW 26th St
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Brittany & Christian Sandoval
1306 Aspen Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Brittany & Christian Sandoval
218 Erickson Ave
Emmett ID 83617

- U.S. Mail, postage prepaid
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- Certified mail, return receipt requested

Michael & Katherine Sherman
1007 Jonathan St
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Tim & Theresa Simkins
1453 Dogwood Ct
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Cori Smith
2746 Spruce Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Cheryl Smith Family
2605 Rome Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Cody & Jill Stephens
907 Golden Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Cindy & Rex Stice
2603 Applewood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Misty Stowe
1304 Aspen Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Carrie, Jay & Jolinda Stringer Family Trust
PO Box 160
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Superior Properties LLC
PO Box 2596
Eagle ID 83616

- U.S. Mail, postage prepaid
- Hand Delivery
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Vincent & Dawn Talbott
1008 Jonathan St
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Richard Darren Torgersrud
655 Montgomery St #18
San Francisco CA 94111

- U.S. Mail, postage prepaid
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Guillermo Trujillo, III
2505 Applewood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Amanda Tschida
911 NW 24th St
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Brian Vanderoord
2729 Dogwood Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
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Elisabeth Venegas
1006 Golden Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Gina Villanueva
650 Syringa Springs Dr
Fruitland ID 83619

- U.S. Mail, postage prepaid
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- Certified mail, return receipt requested

Kenneth & Rei Walston Family Trust
1011 Jonathan St
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Thomas & Carol Jo Weller Trust
PO Box 961
Payette ID 83661

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Harry & Linda Wightman
2600 Winesap Ave
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

RyWest Homes Inc
125 Beech St
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Carl Henderson et ux, Poppy Henderson
8399 Washoe Rd
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Lowell Davis et ux Geraldine Davis
8407 Washoe Rd
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested

Carol Winger
1577 Tamarack St
Fruitland ID 83619

- U.S. Mail, postage prepaid
- Hand Delivery
- Certified mail, return receipt requested



Kourtney Romine
Administrative Assistant

From: [Molly Garner](#)
To: [Kourtney Romine](#)
Cc: [James Piotrowski](#)
Subject: . Dkt # CC-2016-OGR-01-004 - Motion to Enlarge Notice and Continue Hearing
Date: Tuesday, April 09, 2019 03:11:24 PM
Attachments: [Motion to Expand Notice and Continue 04-09-19.pdf](#)

Attached, please find the Motion to Enlarge Notice and Continue Hearing, filed on behalf of Objecting Landowners.

Thank you,

-Molly Garner
Office Manager
Piotrowski Durand, PLLC



IDAHO OIL & GAS
CONSERVATION COMMISSION

James M. Piotrowski
Marty Durand
PIOTROWSKI DURAND, PLLC
P.O. Box 2864
1020 W. Main, Suite 440
Boise, Idaho 83701
Telephone: (208)331-9200
Facsimile: (208)331-9201
Email: James@idunionlaw.com
Email: Marty@idunionlaw.com

Attorneys for Objecting Landowners

BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION

In the Matter of Applications of AM Idaho,)
LLC and Alta Mesa Services, LP, etc.) Dkt. No. CC-2016-OGR-01-004
)
)
) MOTION TO ENLARGE NOTICE
) AND CONTINUE HEARING
)
_____)

COME NOW the uncommitted owners identified herein, by and through undersigned counsel of record, and hereby move the Commission to provide notice of the upcoming hearing to an expanded pool of effected landowners, and, in order to provide appropriate opportunity to be heard, continue the hearing currently scheduled for April 23 to a later date.

On or about March 27, 2019, the Commission provided a notice of hearing stating that it would take up the issue of what steps it must take to comply with the order of the United States District Court for the District of Idaho. The order requires vacating a prior order affecting the spacing unit at issue in this case. The notice of hearing was delivered to less than all of the landowners potentially effected by the Court's Order, and by whatever steps the Commission might take to comply with that Order.

The original application for spacing and integration orders effected hundreds of landowners. Some such landowners may have wished to object, but failed to do so for precisely

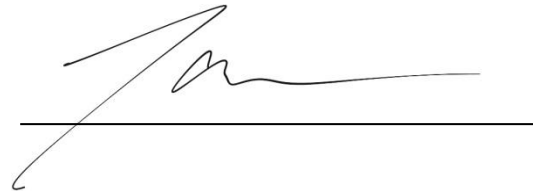
the reasons that the District Court found that the entry of the spacing and integration violated due process. Without understanding how the Commission would apply the ambiguous legal standard of “just and reasonable” landowners may have felt that objecting to the application was futile. Now that the Commission has been ordered to further explain the meaning of that statutory term, such landowners should be offered an opportunity to be heard on the question of how the Commission intends to comply with the Court’s Order. Notice of the scheduled hearing, however, was directed to a smaller group of landowners. Furthermore, it is to be expected that since the original application in 2016, many of the parcels will have changed hands, and the current owners should be notified of proceedings that could effect their property rights.

Failure to provide notice to all effected landowners could effectively deny them due process. Doing so would necessarily prevent them from weighing in at this stage of the proceeding.

For the foregoing reasons the Oil and Gas Conservation Commission should direct notice of its consideration of issues of compliance to all of the landowners effected by the application for spacing and integration orders in this case. To provide a reasonable opportunity to be heard, the consideration should be continued to a later date so that the additional landowners have a reasonable opportunity to respond.

Dated this 9th day of April, 2017.

PIOTROWSKI DURAND, PLLC

A handwritten signature in black ink, appearing to read 'James M. Piotrowski', is written over a solid horizontal line.

James M. Piotrowski
Attorneys for Objecting Owners

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing pleading to be served on the individuals listed below via the method described to the address indicated:

Tom Schultz, Director	Hand Delivered	<input type="checkbox"/>
Idaho Dept. of Lands	U.S. Mail	<input checked="" type="checkbox"/>
300 N. 6th Street, Suite 103	Certified Mail, return receipt requested	<input type="checkbox"/>
Boise, ID 83702		

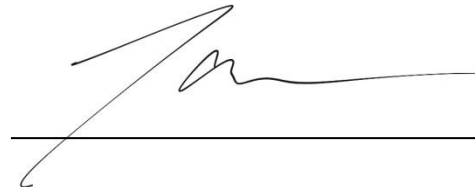
AM Idaho, LLC & Alta Mesa Services LP	Hand Delivered	<input type="checkbox"/>
Michael Christian	U.S. Mail	<input checked="" type="checkbox"/>
Marcus, Christian, Hardee & Davies, LLP	Certified Mail, return receipt requested	<input type="checkbox"/>
737 North 7 th Street		
Boise, Idaho 83702		

Kristina Fugate	Hand Delivered	<input type="checkbox"/>
Deputy Attorney General	U.S. Mail	<input checked="" type="checkbox"/>
P.O. Box 83720	Certified Mail, return receipt requested	<input type="checkbox"/>
Boise, ID 83720-0010		

Joy Vega	Hand Delivered	<input type="checkbox"/>
Deputy Attorney General	U.S. Mail	<input checked="" type="checkbox"/>
P.O. Box 83720	Certified Mail, return receipt requested	<input type="checkbox"/>
Boise, ID 83720-0010		

Mick Thomas, Division Administrator	Hand Delivered	<input type="checkbox"/>
Kourtney Romine	U.S. Mail	<input checked="" type="checkbox"/>
Idaho Department of Lands	Certified Mail, return receipt requested	<input type="checkbox"/>
P.O. Box 83720		
Bose, ID 83720-0050		

James Thum	Hand Delivered	<input type="checkbox"/>
Idaho Dept. of Lands	U.S. Mail	<input checked="" type="checkbox"/>
300 N. 6th Street, Suite 103	Certified Mail, return receipt requested	<input type="checkbox"/>
Boise, ID 83702		



James M. Piotrowski

From: [GEORGE W BACUS](#)
To: [Kourtney Romine](#)
Subject: I feel that the IDS have finally got their ducks in a row, so they can access some fines when Alta Mesa operates on their own and they don't think nobody needs to know what is taking place. A stiff fine an some time consuming permits might help.
Date: Monday, April 08, 2019 01:05:58 PM

George Bacus 905 NW 24th st Fruitland, Idaho

Sent from [Mail](#) for Windows 10



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Shelley Brock](#)
To: [Kourtney Romine](#)
Subject: public comment re "just and reasonable" terms for integration contracts
Date: Sunday, April 07, 2019 10:37:07 PM

To:

April 8, 2019

Kourtney Romine
 Administrative Assistant, IDL
 300 N. 6th St., Suite 103, PO Box 83720
 Boise, ID 83720

To whom it may concern,

As a long time Idaho resident, healthcare worker, grandmother and President of CAIA, I would like to submit the following recommendations regarding how the Commission should determine terms and conditions for integration (forced pooling) orders that are 'just and reasonable'.

On behalf of my family, fellow CAIA team members and every other Idaho resident who could potentially be impacted by oil and gas activities in close proximity to our homes, our kids' schools, our farms, businesses, churches, parks and rivers, I would advise that the following requirements be mandated for **all** Idaho property owners through a formal, public rulemaking process:

- All property owners shall receive permission in writing from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure
- All property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
- All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned
- Options of hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases. (*Alta Mesa received 2 violations in the past 4 months for recompleting one well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?*)

- Publicly available documents shall show all chemicals used - with no exemptions for trade secrets - and shall provide proof that all drilling and fracking fluids are disposed of and accounted for as safely as possible
- Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. *(If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. AM has proved they will acid frack and recomplete wells without pulling permits so we require the use of tracers as standard policy in all those wells to protect citizens' health and property values)*
- Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation
- Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring
- Right-of-way for dangerous pipelines shall be removed from integration contracts. *(It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a pipeline or other volatile infrastructure through their property too)*
- No hydrocarbon wells that have been drilled and abandoned may be used for class II injection of wastewater. *(State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. How can we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?)*
- Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of those operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho. *(How can we be guaranteed full payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for alleged underpayment or non-payment of royalties including 1 for alleged fraud, RICO and deceit; the third is for allegedly deceiving shareholders)*

Thank you for entering these recommendations into the public record.

Sincerely,
 Shelley Brock
 President, Board of Directors - CAIA
 (208) 559-6127

Citizens Allied for Integrity and Accountability
PO Box 2622 - Eagle, ID 83616
<http://www.integrityandaccountability.org/>



IDAHO OIL & GAS CONSERVATION COMMISSION

From: [Petra Cervino](#)
 To: [Kourtney Romine](#)
 Cc: cervino@cableone.net
 Subject: Forced Pooling
 Date: Sunday, April 07, 2019 10:05:48 PM

To whom it may concern,

In order to ensure the forced pooling (i.e. Integration) process for oil and gas operations is just and reasonable Idaho property owners require the following changes be mandated through a formal rulemaking process:

• Permission in writing from their mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure

• Permission in writing from their insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development

• Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

• Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

• Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases. *(Alta Mesa received 2 violations in the past 4 months for recompleting a well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward? Who will begin enforcing?)*

• Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible

• Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking. *(If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. AM has proved they will acid frack and recomplete wells without pulling permits*

so we demand the use of tracers as standard policy in all those wells)

• Set higher bonding, strict liability insurance requirements, require indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments

• Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring

• Remove right-of-way for dangerous pipelines through property. *(It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a volatile pipeline through there too)*

• No using wells drilled, and then abandoned, for class II injection of wastewater. *(State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. Why should we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?)*

• Q: How will we be guaranteed full payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? *(The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for underpayment or non-payment of royalties; 1 includes alleged Fraud, RICO and Deceit)*

Regards,

Mrs. Petra Cervino

Eagle, ID

From: [Sheila Clark](#)
To: [Kourtney Romine](#)
Subject: Forced Pooling of Mineral Rights
Date: Monday, April 08, 2019 09:31:41 AM

To Whom It May Concern:

Let me start by making clear my position that forced pooling (integration) is a violation of my rights as an Idaho citizen and property owner. Because Idaho property owners have not been granted full protection of our lawful rights, we are now faced with the decision of what “just and reasonable” conditions will be implemented for integration procedures. I have a mortgage on my property, and as a term of my mortgage I am required to have insurance on my home. Seismic and extraction activities, as well as the placement of supporting infrastructure, can have adverse impact on the insurability of my home along with a decrease in its value. As a prerequisite, any producer should be required to have permission from my mortgage company and insurer as to the impact of such activities on the cost of insurance and its effect on the terms of my mortgage. It is also important to note that water quality is at significant risk during such operations. While laws are supposed to prohibit the use of chemicals, there are recent cases where such laws have been ignored. As a condition of any integration, my water well should be tested for a baseline prior to drilling, followed by post-drilling testing to assure contamination has not been introduced.

Sincerely,

Sheila Clark

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Dianna David](#)
To: [Kourtney Romine](#)
Subject: Fracking/injection wells
Date: Monday, April 08, 2019 04:09:28 PM

Dear Ms. Romine,

As a former resident of Oklahoma and Ohio where fracking has caused environmental and seismic problems, I'm concerned about the expansion of such practices in Idaho. There are numerous issues that must be addressed - from pre-drilling inspections, public disclosure of chemicals used and how they are to be disposed, guarantees that companies are properly insured and so on - but for me, as someone who has lived with these issues, the earthquakes and land/water contamination surrounding this process - it's the seismic activity and the noise residents will hear at night throughout Idaho (even miles away from drilling locations) that are a real concern which I'm not hearing anyone talk about. It has been proven earthquake activity increases where faults are present and fracking exists, and Idaho has several faults. I experienced the onset and increase of significant earthquakes in Oklahoma immediately after fracking began, and Idaho, just like Oklahoma, is not prepared for the size of quakes fracking will bring. I've lived in California and Iceland too, both very seismically active locations, and I've been through dozens of quakes over the decades, several of them over 7.0. The damage even a 5.5 quake can cause to areas where older buildings and homes exist can be costly, and anything above that can greatly damage newer homes not built to standards where significant quakes happen. A 6.0 or larger can cause great damage to downtown Boise as well as surrounding areas. Is it really worth it? People have lost their lives because of the quakes brought on by fracking due to building damage. Water sources for residents have been contaminated. In addition to these problems, insurance companies issue moratoriums regarding the purchase of earthquake coverage after each earthquake (if it's offered in the area), and the endless cycle of quakes that come as a result of fracking, renders citizens unable to buy such coverage as one quake happens, the moratorium is enacted, another quake happens, then another moratorium - and the cycle can continue leaving residents all over the state with seriously damaged homes and no insurance, and sometimes not enough assets or credit to obtain a loan to repair the damage. In Oklahoma, I personally witnessed many homeowners spend a small fortune to repair their homes, only to experience additional damage when the next significant quake happened. I also know of several who were unable to fix their homes, putting their families at risk with the next significant quake, because they have no other choice.

I've been around awhile. I began studying alternative fuel and energy sources in 1972. These destructive ways to harvest antiquated fuel and energy sources in this day and age is perplexing to me. Our longstanding health and safety should be our number one concern, not how we can get a cut off companies we allow to come here, leaving behind a mess (they ALWAYS do) and creating havoc when it comes to increased seismic activity and contaminated well water from the hundreds of tons of multiple, dangerous chemicals used in each fracking process.

If fracking is going to increase here, which I hope it will not - then strict laws must be included to protect the general public, everything and everyone involved in this industry must be held to full accountability and transparency, and they must be adequately insured and bonded - because the time will come where a problem arises. Been there, done that - and if you want to know more about it, just ask residents from Oklahoma, Ohio and Pennsylvania who have been negatively impacted by the greed and sloppiness of the fracking industry. Ask our residents of Payette County too, since they have now experienced the same long established mistreatment by fracking companies, just as others have in other states.

Every family, house, building, runway, overpass, road, bridge and water well in Idaho are at risk, so please, demand as much accountability as possible if fracking is to invade all of Idaho.

Sincerely,
Dianna David
Boise, Idaho

From: [Linda Eekhof](#)
To: [Kourtney Romine](#)
Subject: Oil and Fracking
Date: Sunday, April 07, 2019 04:19:59 PM

I am heartedly AGAINST the drilling for oil and the practice of fracking. Please do not destroy our beautiful Idaho.

Sent from my iPhone



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Joli Fromenok](#)
To: [Kourtney Romine](#)
Subject: Forced pooling
Date: Monday, April 08, 2019 12:14:17 PM

To the Idaho Department of lands,
Greetings.

I figured that after two or three years Altamesa would come back in again once the dust settled after they tried to depose us from our property here in New Plymouth.

I did the best I could to Rattle their cage and to get people's attention. But I did know that they would come back in, and here they are.

Certainly, none of you actually think that Idaho needs to exploit those resources.

I really can hardly believe that anyone believes any claim that Altamesa or any other gas company ever made. From the first word they spoke to me to the very last, it has been one hundred percent lies, from their land man coming in and telling us that if we didn't sell our mineral rights, that all of our neighbors would lose their "Jed Clampett" rights, to, "oh yeah this is just a tiny little plant, way over there". And what it really and truly amounted to, is that their train would block the easement from our property while they're loading millions of gallons of condensate onto a bomb train, which they are going to ship overseas anyway, but only after they flare off a bunch of benzene and toluene 600 feet from our noses. Oh and don't forget they wanted to store a million gallons of condensate right next door to us, with no possible plan of what to do in the case of an emergency. It blows up, they let it burn... that's their plan. And we live next door.

If you think they care anymore about anyone else in Idaho than they did a about us you are nuts.

They have done nothing but lie to us, as reasonable as we were.

They have no intention of doing anything but making a dollar for their own selves they don't care that Idaho will be lost. We are being sold out to the lowest bidder.

No one in Idaho besides the big landowners i e Butch otter, Brad little, you know the rest of them, are going to make any money on this at all.

It is going to absolutely ruin a lot of people. We would completely lose our ability to do business on our property if Altamesa is allowed to proceed with anything. Our place is totally on their radar, and they have every intention of placing their equipment, flare Stacks, rail facilities, not on our property, but within 600 feet of our place, making it impossible for us to live here. Altamesa doesn't care about you, and they don't care about Idaho either. Certainly you are aware of this.

This is not something that we need to even have happening in the gem state. Do you ever watch outdoor Idaho? Well all that stuff is going to go away if you let the gas companies in here. That's it.

They are not going to do us any good at any time. They are the devil in my opinion. Just say no to them and let us be idahoans. They can go somewhere else and Destroy some other place but they don't need to do it here.

And everybody knows that it's illegal for people's mineral rights to be sold out from underneath them, because they all have mortgages that prevent it. This is no new ground to you guys. You know that everything about this is a breach of our constitutional rights to the enjoyment of our own property. Nobody has the right to take somebody else's mineral rights out from underneath their home.

In our case it's even worse because we're free and clear- we own the deed to our place, and we can't just walk away after Altamesa ruins our lives and let the bank pick up the tab. We just walk away with nothing.

Stop kissing up to these people and tell them to beat feet out of here. Thank you very much for at least considering the logic. We do not need our natural resources exploited by anyone. I apologize for my abruptness in speech, but I can't believe we are still considering walking all over the Constitution so that somebody in Texas can have couple of bucks in their pocket to waste.

Thanks, Joli Eromenok
New Plymouth Idaho



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Rebecca Ferrera](#)
To: [Kourtney Romine](#)
Subject: Theft by Alta Mesa
Date: Sunday, April 07, 2019 08:10:31 PM

Theft!

That is the simplest way to describe what Alta Mesa is doing to Idaho citizens. Idahoans who bought land here to be able to freely enjoy Idaho and all it has to offer.

It makes me upset that our own people would sell our land out from underneath us. Would this be okay with your parents? Maybe your children and grandchildren will suffer health issues down the road. The truth is we do not know what will happen. Are our rights being given away just for monetary value? Get more information before it is too late.

This is not the Idaho I know and love. Alta Mesa is only looking for money and does not care for our property and families.

We will not be forced to give our rights away. I am seeing the results of drilling down the hill from our home. I tell myself, at least the neighbor's homes closest will be damaged first. Then we can get Alta Mesa to stop before reaching anyone else's home.

We need our water to be safe!

We want our families to be safe!

We do not want Alta Mesa or any other "companies" with no ties to Idaho to steal or borrow or pay for items that are not theirs.

Sincerely,

Rebecca Ferrera

Terry Ferrera

Kyle Romans



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [carrie grant](#)
To: [Kourtney Romine](#)
Subject: . Oil drilling
Date: Sunday, April 07, 2019 07:22:55 PM

I am writing to simply bring up some concerns about oil and gas drilling in my neighborhood and surrounding areas. So right now there is a current class action lawsuit filed against Alta Mesa by Payette County property owners (the 3rd in just 17 months) against this company and 2 of those are because of underpayment or non-payment of royalties. So how are we supposed to be guaranteed payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable since they first started here?

I also think there should be publicly available documents that show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible. I don't want to find out later you have contaminated me and my children's water. As well as my neighbors.

I also believe bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, and negative health impacts from flaring.

Please consider my concerns,
Carrie Grant homeowner

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: dogsaflying@gmail.com
To: [Kourtney Romine](#)
Subject: Objections to Forced Pooling
Date: Monday, April 08, 2019 02:40:36 PM

Kourtney Romine
Administrative Assistant, IDL
300 N. 6th St., Suite 103, PO Box 83720
Boise, ID 83720

To whom it may concern,

As a long time Idaho resident, I would like to submit recommendations regarding how the Commission should determine terms and conditions for integration (forced pooling) orders that are 'just and reasonable'. I was shocked to learn recently that you have granted oil and gas drilling leases within just a few miles of my home in Eagle with no notice to me. Further, I have been dismayed by the oversight by the Dept. of Lands of the Alta Mesa projects currently. I value my home and my environment and do not want oil or gas drilling in any form in or near our community, aquifer, or close enough to cause damage by earthquakes which has happened in other states.

All Idahoans can be impacted by oil and gas activities in close proximity to our homes, and to our total environment. Below are my recommendations for "just and reasonable" requirements to reimburse us for the environmental damage that oil and gas drilling may have on us. Further, I wish that I wish that the following requirements be mandated for all Idaho property owners through a formal, public rulemaking process:

1. Prior to the start of any seismic or extraction activities or placement of supporting infrastructure, all property owners shall receive permission in writing from their mortgage company.
2. All property owners shall receive statements in writing from their insurance companies prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development.
3. All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure.
4. All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure.
5. All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned.
6. Options of hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases. I understand that Alta Mesa received 2 violations in the past 4 months for recompleting one well and acid fracturing another with no permits. What guarantee can you give that they will follow laws and rules going forward?
7. Publicly available documents shall show all chemicals used - with no exemptions for trade secrets - and shall provide proof that all drilling and fracking fluids are disposed of and accounted for as safely as possible.

8. Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. Alta Mesa has proved they will acid frack and recomplete wells without pulling permits so we require the use of tracers as standard policy in all those wells to protect citizens' health and property values).

9. Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation.

10. Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring.

11. Right-of-way for dangerous pipelines shall be removed from integration contracts. (It's not fair and reasonable to tell property owners they are going to receive 12.5% royalty and then force them to accept a pipeline or other volatile infrastructure through their property too).

12. No hydrocarbon wells that have been drilled and abandoned may be used for class II injection of wastewater. (State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. How can we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?)

13. Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of those operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho.

Thank you for entering these recommendations into the public record.

Sincerely,

Mary Hunter

173 N Sierra View Way

Eagle ID



From: [Idaho Carneys](#)
 To: [Kourtney Romine](#)
 Subject: IDL Rulemaking Procedure
 Date: Monday, April 08, 2019 07:55:33 AM

To IDL via Kourtney Romine,

As a citizen in Idaho, I am agitated and disturbed by the wanton actions, with no regard to due process, that Alta Mesa Idaho has undertaken. I demand that the IDL establish firm procedures, enforce existing regulations and stand up for personal property rights. Protect our water and land from pollution and destruction that will forever harm the state and public lands. The state lands also belong to me!

As an Idaho property owner, I demand IOGCC and IDL require the following changes be mandated through a formal rulemaking process:

- Permission in writing from their mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure. My house is paid for. What guarantee will the IDL put in place that my property is not destroyed?
- Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases. (*Alta Mesa received 2 violations in the past 4 months for recompleting a well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?*)
- Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring!!
- No using wells drilled, and then abandoned, for class II injection of wastewater! The state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. Why should we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point? **Once the water is polluted, we pay the price - forever!**
- How will we be guaranteed full payment of royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here?

From your homepage :

One million forested acres are actively managed to make money for public schools and other Idaho institutions, and for their long-term health. We regulate forest practices in the state and provide assistance to forest landowners and communities to promote healthy, productive forests for years to come.

Please! Enforce and strengthen regulations! Reduce legal fee expenses and improve efficiency. Stronger rules will enable the IDL to support your stated mission. Our Idaho public schools and all citizens deserve strong regulations and strict enforcement.

Your citizen,

Phil Carney
 1887 N. Groveland Place

Eagle, ID 83616
208 488 0096



IDAHO OIL & GAS CONSERVATION COMMISSION

From: [tom.kennedy](#)
 To: [Kourtney.Romine](#)
 Subject: Forced Pooling
 Date: Monday, April 08, 2019 10:03:55 AM

To whom it may concern,

In order to ensure the forced pooling (i.e. Integration) process for oil and gas operations is just and reasonable Idaho property owners require the following changes be mandated through a formal rulemaking process:

- Permission in writing from their mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure (as a mortgage executive if this is not done the loan will be called)
- Permission in writing from their insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
- Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases. *(Alta Mesa received 2 violations in the past 4 months for recompleting a well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?)*
- Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible
- Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking. *(If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. AM has proved they will acid frack and recomplete wells without pulling permits so we demand the use of tracers as standard policy in all those wells)*
- Set higher bonding, strict liability insurance requirements, require

indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments

- Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring
- Remove right-of-way for dangerous pipelines through property. (*It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a volatile pipeline through there too*)
- No using wells drilled, and then abandoned, for class II injection of wastewater. (*State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. Why should we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?*)
- Q: How will we be guaranteed full payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? (*The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for underpayment or non-payment of royalties; 1 includes alleged Fraud, RICO and Deceit*)

Thomas Kennedy

PO BOB 6304

Sun Valley Id 83404

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Tim Kettlinski](#)
To: [Kourtney Romine](#)
Subject: fracking
Date: Monday, April 08, 2019 08:06:41 AM

To whom it may concern,

As a long time Idaho resident, I would like to submit the following recommendations regarding how the Commission should determine terms and conditions for integration (forced pooling) orders that are 'just and reasonable'.

On behalf of my family, and every other Idaho resident who could potentially be impacted by oil and gas activities in close proximity to our homes, our kids' schools, our farms, businesses, churches, parks and rivers, I would advise that the following requirements be mandated for all Idaho property owners through a formal, public rulemaking process:

All property owners shall receive permission in writing from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development

All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned

Options of hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases. (Alta Mesa received 2 violations in the past 4 months for recompleting one well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?)

Publicly available documents shall show all chemicals used - with no exemptions for trade secrets - and shall provide proof that all drilling and fracking fluids are disposed of and accounted for as safely as possible

Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. Alta Mesa has proved they will acid frack and recomplete wells without pulling permits so we require the use of tracers as standard policy in all those wells to protect citizens' health and property values)

Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation

Thanks tim

Qualafab, Inc.
Tim Kettlinski
208-887-9834

From: [Sue Koller](#)
To: [Kourtney Romine](#)
Subject: Forced pooling for oil and gas
Date: Sunday, April 07, 2019 02:42:48 PM

First IDL allowed BNSF to add more coal an oil trains along rivers, lakes and wetlands and now you want to force land owners to sell there land to coal, oil and gas companies so there will be more pollution? What is wrong with IDL? They are suppose to take care of the land not sell to the highest bidder.

--

Sue



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Heather Lowe](#)
 To: [Kourtney Romine](#)
 Subject: Objection to forced pooling and fracking
 Date: Sunday, April 07, 2019 08:15:22 PM

To whom it may concern at Idaho Department of Lands,

In order to ensure the forced pooling (i.e. Integration) process for oil and gas operations is just and reasonable Idaho property owners require the following changes be mandated through a formal rulemaking process:

- Permission in writing from their mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure
- Permission in writing from their insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
- Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases. *(Alta Mesa received 2 violations in the past 4 months for recompleting a well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?)*
- Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible
- Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking. *(If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. AM has proved they will acid frack and recomplete wells without pulling permits so we demand the use of tracers as standard policy in all those wells)*
- Set higher bonding, strict liability insurance requirements, require

indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments

- Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring
- Remove right-of-way for dangerous pipelines through property. (*It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a volatile pipeline through there too*)
- No using wells drilled, and then abandoned, for class II injection of wastewater. (*State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. Why should we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?*)
- Q: How will we be guaranteed full payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? (*The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for underpayment or non-payment of royalties; 1 includes alleged Fraud, RICO and Deceit*)

Thank you for your consideration. Idaho is too great to not have very safe and potentially strict guidelines for any potential drilling. Our future Idahoans depend on it!

Heather Lowe DPT, ATC, CSCS
Functional Medicine Practitioner and doTERRA Wellness Advocate

Vibrant Health and Wellness, PLLC
(208) 339-0951
Dr.Heather@vibranthealthwellness.org
www.mydoterra.com/DrHeatherLowe

From: [Bryant Lyndaker](#)
To: [Comments: Kourtney Romine](#)
Cc: sb-caia@hotmail.com
Subject: Forced Pooling
Date: Monday, April 08, 2019 12:04:19 PM

To the Idaho Department of Lands:

Forced pooling (being forced to allow drilling and fracking under their property against their will) is not something that I would think the conservative representatives of this great State of Idaho would allow much less endorse. I have been told that positive endorsement of drilling are from people who have not been informed about the terrible consequences of having drilling done on your property. They did not realize the risks they are taking with the property, mortgages and wellbeing of their neighborhood. FORCED POOLING should not be allow anywhere in Idaho. As a property owner and willing tax payer, I am against forces pooling in it current form.

I current live on a .22 acre lot. You cannot get a tractor in my yard much less a drilling operation. Any sort of fracking is detriment to the environment. The specific company here in this area, Alta Mesa, is apparently financially in trouble and could not meet the requirements necessary to do the work and clean up when they are done. I understand the they are conducting operations without permits. Why is that permitted?

Certain requirements should be in place before any drilling operations are conducted whether fracking or not:

- There should be finances to support adequate compensation for all the risks we are being potentially subjected to.

- All property owners shall receive permission in writing from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure

- All property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development

- All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

- All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

- All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned

While I have used information from other sources, these same thoughts have been on my mind for the past few years since this process began. Based on information from other states a land owner should have the individual right and claim to deny drilling on or may near his property. As far as I know there was nothing said in any of the correspondence I have ever received that indicated the potential for terrible outcomes as a result of drilling and possibly fracking in this area. Because if that information was stated there would be very few individuals willing to participate

Thank you for your time,

Bryant and Carolyn Lyndaker
145 Magnolia Avenue
Fruitland, ID 83619
208-861-7522



IDAHO OIL & GAS CONSERVATION COMMISSION

From: [Randy Nilson](#)
To: [Kourtney Romine](#)
Subject: comments and objections against forced pooling
Date: Monday, April 08, 2019 03:18:56 PM

To whom it may concern:

In order to ensure the forced pooling (i.e. Integration) process for oil and gas operations is just and reasonable Idaho property owners require the following changes be mandated through a formal rule making process:

- Permission in writing from their mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure
- Permission in writing from their insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
- Conduct pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Conduct pre-drilling baseline water testing with a complete hydrocarbon panel by an independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases. (Alta Mesa received 2 violations in the past 4 months for recompleting a well and acid fracturing another with no permits. What guarantee can the Interstate Oil and Gas Compact Commission and Idaho Department of Lands give that Alta Mesa will follow laws and rules going forward?)
- Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible
- Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. Alta Mesa has proved they will acid frack and recomplete wells without pulling permits so we demand the use of tracers as standard policy in all those wells)
- Set higher bonding, strict liability insurance requirements, require indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments
- Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination,

negative health impacts from flaring

- Remove right-of-way for dangerous pipelines through property. (It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a volatile pipeline through their property too.)

- No using hydrocarbon wells drilled, and then abandoned, for class II injection of wastewater. (State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records proved this produced a flow-back water that was laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. Why should we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?)

- Formulate method to guaranteed full payment for our royalties, especially when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here. (The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for underpayment or non-payment of royalties; 1 includes alleged Fraud, RICO and Deceit)

Sincerely,

Randall Nilson



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Mary Ollie](#)
To: [Kourtney Romine](#)
Subject: Forced Pooling Testimony
Date: Monday, April 08, 2019 09:09:37 AM

Kourtney Romine
Idaho Department of Lands

To Whom It May Concern:

As an Idaho property owner I have grave concerns that my property rights are being eroded. Oil and gas interests have too much influence and power, and that concerns me. What I would like is for Idaho to drop forced pooling altogether.

Since that is not currently up for discussion I expect to see the following changes regarding forced pooling mandated through a formal rule-making process:

1. The property owner's mortgage company shall be informed and shall give permission in writing prior to any seismic or extraction activities or placement of supporting infrastructure.
2. The property owner's insurance company shall give permission in writing prior to any seismic or extraction activities or placement of supporting infrastructure and shall guarantee in writing that premiums won't increase as a result of oil and gas development.
3. A pre-drilling property inspection and appraisal by a licensed independent third party shall be conducted at the operator's expense prior to any seismic or extraction activities or placement.
4. Publicly available documents shall provide (a) a listing of chemicals used and (b) documentation that all drilling and fracking fluids are disposed of and accounted for.
5. Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, and negative health impacts from flaring.
6. Right of way for pipelines through private property shall be removed.

Sincerely,

Mary Ollie
P O Box 895
Bonners Ferry 83805

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From: [Lorri Quas](#)
To: [Kourtney Romine](#)
Subject: Forced pooling process for oil and gas ops
Date: Sunday, April 07, 2019 04:33:49 PM

To Idaho Department of Lands,

To ensure the integration process for oil and gas operators Alta Mesa and others is fair to property right-loving Idahoans, Idaho property owners deserve the following due diligence be mandated through a formal rulemaking process.

- An OK in writing from property owner's mortgage company and insurance company prior to any infrastructure or drilling activities
- Pre-drilling baseline property inspection and water testing with complete hydrocarbon panel by licensed independent third party prior to any drilling activities
- Removal of options of hydraulic fracturing, acidizing and horizontal drilling from leases with Alta Mesa and any future leases, as well as making publicly available documents that show the chemicals used and how all drilling and fracking fluids are disposed of and accounted for.
- Require tracers or tagging agents unique to every well to be used in all fluids for drilling, treating and fracking. Any groundwater contamination must be traceable to its source and property owners should have grounds to litigate for damages.
- Set higher bonding, strict liability insurance requirements, require indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments. Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring
- Remove right-of-way for dangerous pipelines through property. (It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a volatile pipeline through there too)
- No using hydrocarbon wells drilled, and then abandoned, for class II injection of wastewater. This wastewater is proven to be laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. Why should we trust state regulators to safely monitor the protection of our water resources when they have failed to protect us in the past?

How will Idahoans be guaranteed full payment for royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? The three class action lawsuits filed recently against Alta Mesa by Payette County property owners are proof Idahoans need your protection against predatory practices by Alta Mesa.

If we poison the water supply in our high desert home and make it uninhabitable, where will you move to protect your children and grandchildren from toxin-related illnesses like cancer?

Idaho is too great to poison, and for such a pittance. Please protect our piece of paradise.

Sincerely,

Lorri Quas

Idahoans for Responsible, Ethical and Accountable Leadership



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Kim Ross](#)
To: [Kourtney Romine](#)
Subject: Citizen Comments on Forced Pooling for Oil & Gas Drilling and Fracking
Date: Sunday, April 07, 2019 01:41:19 PM

To whom it concerns:

In order to ensure the forced pooling (i.e. Integration) process for oil and gas operations is just and reasonable, Idaho property owners require the following changes be mandated through a formal rule-making process:

- Permission in writing from each homeowner's mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure
- Permission in writing from each homeowner's insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and a written guarantee that premiums won't increase as a result of oil and gas exploration and/or development
- Set higher bonding, strict liability insurance requirements, require indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments

The IDL Web site says that you "ensure the protection of water quality and other resources by overseeing forestry and mining practices across all ownerships in the state." Please do so by making sure that any drilling or fracking operation takes place in a safe, responsible and transparent manner.

Thank you for considering the needs of residents and property owners.

Sincerely,

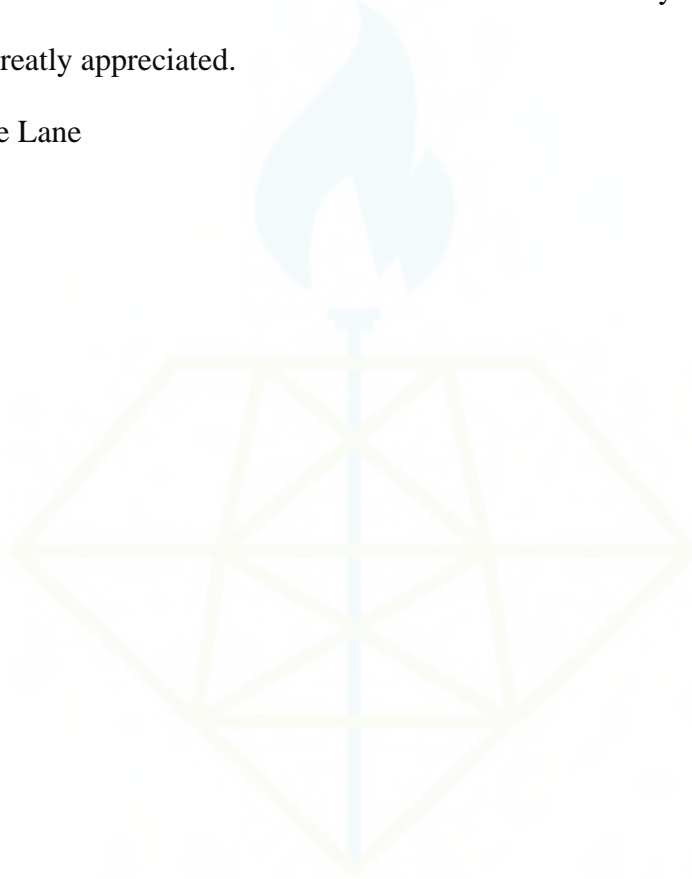
Kimberly L. Ross
Citizen of Eagle, Idaho

From: [Bob Shepard](#)
To: [Kourtney Romine](#)
Subject: Fracking
Date: Sunday, April 07, 2019 02:03:08 PM

Please prevent future oil and gas ventures in our communities and State.
We have all seen the abuse of our environment from debacles created by these (mostly out of state) companies.

Your assistance is greatly appreciated.

Bob Shepard
368 S. Golden Eagle Lane
Eagle, ID 83616



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Sharon Simmons](#)
To: [Kourtney Romine](#)
Subject: AM Idaho, LLC/ ID Land Comments
Date: Monday, April 08, 2019 01:09:52 PM
Attachments: [Idaho Gas and Oil Comments.docx](#)

Dear Kourtney Romaine,

Attached are a few comments regarding Idaho Gas and Oil Leases, forced pooling and my environmental concerns.

Thank you,
Sharon M. Simmons
8680 Shannon Road
Payette, Idaho 83661



IDAHO OIL & GAS
CONSERVATION COMMISSION

Sharon M. Simmons
8680 Shannon Road
Payette, Idaho 83661

April 8, 2019

RE: Forced Pooling for Oil and Gas Operations

To: Whom it may concern,

I purchased my property in October 2017. The previous owners led me to believe that the operations for oil and gas in this area really wasn't an issue.

On March 6, 2019 I received a certified letter from AM Idaho, LLC regarding a "Paid-Up Oil and Gas Lease Proposal" the letter states "AM Idaho, LLC desires to reach an agreement with you and lease your mineral right with the intention to develop them within a gas or oil unit."

The terms were:

*5 year primary term

*\$100.00 per net mineral acre (one-time signing bonus payable by a check in the amount of \$780.00)

*1/8 royalty on marketable gas and oil for the life of the well

*Option to extend the primary term for 5 years at \$100.00 per mineral acre

I honestly knew nothing about the extent of what this lease really meant. I wanted to talk to some of my neighbors to see if they could give me any information.

On March 13th, the cover letter to the information I received by certified mail was found in my gate. I figured a neighbor must have put that in my gate.

The morning of March 14th 2019 I spoke to my neighbor and he really could not educate me about the lease and what it really means. I thought I need to look into this further, possible contact an attorney. I did contact one attorney and he said this was not his area of expertise and he referred me to another attorney.

On March 14th, 2019 at approximately 4:30pm, a black car drove into my driveway and a man got out, asking if I was Sharon Simmons? I said yes, he introduced himself as Michael Bishop from Tie Land LLC. And he asked if I got the paper which he had put on my gate? Well yes I did get the letter. He is an Independent Landman. I had no clue what that was never heard of a Landman. He proceeded to ask me if I had read the agreement and what my thoughts were. I told him that the offer didn't really interest me as I don't want anyone coming onto my land anytime they choose, I have animals and I do have to protect them from people who leave gates open, or even run over your animals because of pure lack of respect for others property. He asked me what would it take to get me to agree? I told him I see no guarantee if you contaminate my property what then? How is my investment safeguarded? The \$100.00 an acre is nothing to sign away my property rights. He did say that another property owner had similar concerns and they could amend the contract to contain more information to cover the areas of concern. He also told me that he had hoped he would not have to go here, he then proceeded to tell me hey we want to reach a mutual agreement with you, and if we cannot that is okay we will come in

and conduct our drilling without your signed agreement. He actually told me this twice. He was definitely trying to intimidate me into signing the lease. However his tactics really I found offensive and I wanted to find out what my legal rights are for being a property owner. I did ask him if AM Idaho was involved in any litigations involving leases. His answer was no, none to his knowledge. I asked him if they are planning in drilling in this immediate area and he said yes.

A friend of mine is a friend of Shelley Brock and she suggested if I want to learn about this to call her. Which I did call Shelley and Shelley told me that the organization Citizens Allied for Integrity and Accountability had recently won a lawsuit where Alta Mesa was to cease force pooling. Which is exactly what the Landman was trying to do to me. I read further into information Shelley sent to me on some history of the company and their problems with multiple litigations going on, thus the Lineman deliberately lied to my face.

After reading a fair amount of legal documents I really do not want to mutually agree to anything to do with AM Idaho, LLC. With class action lawsuits and the charges against the company who in their right mind would want enter into an agreement with this company?

A company that does not fulfill their end of the contract, leaving land contaminated could be very devastating to a land owner. And then there is the issue of them not paying per their contractual agreement.

In reading some of the recent findings where AM Idaho, LLC knows they need to obtain permits and does not do this and after the fact the states fines them a small portion of what they should have been fined gives AM Idaho, LLC a pass in my opinion. They have gotten away with illegally proceedings with very little consequences and more than likely they will do this again as for a large business these small fines are nothing, they got done what they needed to and that is all that matters to them.

To allow drilling on flood plains, or in neighbor hoods is utterly ridiculous. Once the soil is contaminated it is almost impossible to clean up 100%. To say we are going to develop more rules that will be ignored is rubbish, unless stricter rules are enforced and companies are greatly penalized. Once the company contaminates a community water source what then? Is the company going to give each property owner market value for their homes, farms and ranches?

I don't understand how the Environmental Protection Agency can allow drilling in areas of water. I do understand the need for the development of natural resources to fuel our economy. However at what price? How are we as land owners guaranteed that we will not lose out? Companies do go bankrupt when they cause a disaster. What then? Is the Federal Government going to guarantee landowners repayment in full?

Just to make it perfectly clear, I am against any kind of oil and gas extraction around water, whether it is surface water or underground water. In my opinion drilling should not be allowed in and around any source of water, homes, schools, businesses, ranches and farms with animals. We only have one environment and I don't want to see this area be turned into a toxic waste site.

Respectfully submitted by,

Sharon M. Simmons



IDAHO OIL & GAS

CONSERVATION COMMISSION

From: [Nancy Stone](#)
To: [Kourtney Romine](#)
Subject: Forced Pooling/Fracking
Date: Monday, April 08, 2019 02:45:09 PM

Dear Ms. Romine:

I am writing as a concerned citizen of Ada County.

I am very concerned that we could be forced into allowing drilling/fracking on or near our property. We get our irrigation and household water from a well. It has been well-documented that fracking often damages ground water and contaminates wells. I am also concerned about whatever chemicals they would use and that their practices could cause earthquakes.

My first choice would be that you not allow oil and gas drilling or fracking of any kind. However, if it should be allowed (against the will of the people of Idaho), at the very least I would expect to have my water tested before and after said drilling/fracking by a third party not associated with the fracking company.

I would like to know what kind of insurance the drilling/fracking company has if they should make our home no-longer habitable due to lack of a clean water source, explosions, fires, air pollution - whatever damages they may cause.

I also don't want some kind of pipeline running through my property.

Whatever goes on with the land I own should be MY choice.

Thank you.

Nancy Stone
4690 N Burt Pl.
Eagle, ID 83616

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Jennifer Tanouye](#)
To: [Kourtney Romine](#)
Date: Monday, April 08, 2019 10:25:50 AM

To whom it may concern,

As a long time Idaho resident, Parent, Homeowner and taxpayer, I would like to submit the following recommendations regarding how the Commission should determine terms and conditions for integration (forced pooling) orders that are 'just and reasonable'.

On behalf of my family, and every other Idaho resident who could potentially be impacted by oil and gas activities in close proximity to our homes, our kids' schools, our farms, businesses, churches, parks and rivers, I would advise that the following requirements be mandated for all Idaho property owners through a formal, public rulemaking process:

All property owners shall receive permission in writing from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development

All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned

Options of hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases. (Alta Mesa received 2 violations in the past 4 months for recompleting one well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?)

Publicly available documents shall show all chemicals used - with no exemptions for trade secrets - and shall provide proof that all drilling and fracking fluids are disposed of and accounted for as safely as possible

Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. Alta Mesa has proved they will acid frack and recomplete wells without pulling permits so we require the use of tracers as

standard policy in all those wells to protect citizens' health and property values)

Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation

Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring

Right-of-way for dangerous pipelines shall be removed from integration contracts. (It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a pipeline or other volatile infrastructure through their property too)

No hydrocarbon wells that have been drilled and abandoned may be used for class II injection of wastewater. (State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. How can we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?)

Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of those operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho. (How can we be guaranteed full payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for alleged underpayment or non-payment of royalties including 1 for alleged fraud, RICO and deceit; the third is for allegedly deceiving shareholders)

Thank you for entering these recommendations into the public record.

Sincerely,

Jennifer Tanouye

From: [Connie](#)
To: [Kourtney Romine](#); sb-caia@hotmail.com
Subject: Oil and gas development
Date: Sunday, April 07, 2019 09:20:03 PM

To who it may concern:

I am writing because of my concerns as a citizen and land owner about what is happening with the drilling of oil and gas in our area.

In order to ensure the forced pooling (i.e. Integration) process for oil and gas operations is just and reasonable Idaho property owners, like me, require the following changes be mandated through a formal rulemaking process:

- Permission in writing from their insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
- Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases.
- Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible
- Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. AM has proved they will acid frack and recomplete wells without pulling permits so we demand the use of tracers as standard policy in all those wells).
- No using hydrocarbon wells drilled, and then abandoned, for class II injection of wastewater.

I am very concerned that the contamination will destroy our property values and our way of life here. My family deserves your attention to this issue and how it is going to effect our property.

Sincerely,

Dylan and Connie Wells

[Sent from Yahoo Mail for iPhone](#)

From: [Anna Wingert](#)
To: [Kourtney Romine](#)
Subject: Formal rule making for fracking
Date: Sunday, April 07, 2019 07:39:56 PM

To whom it may concern,

In order to be sure that Integration process for oil and gas operations is just and reasonable, Idaho property owners require the following changes be mandated through a formal rulemaking process.

A few points I am specifically concerned with are the following:

- Please have a rule that publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible.
- Also, non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages.

It is worrisome that AM has proved they will acid frack and recomplete wells without pulling permits so we demand the use of tracers as standard policy in all those wells).

Thank you for your consideration!

Anna Wingert
Boise, ID 83702

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Tim Yoder](#)
To: [Kourtney Romine](#)
Subject: Rulemaking
Date: Monday, April 08, 2019 11:15:39 AM

Ms. Romine and those it may concern:

As a longtime Idaho resident, I'm concerned that the IOGCC may be quite relaxed when making rules regarding oil and gas forced pooling, seismic, and drilling activities.

In my view the rules process must include:

Pre-drilling property inspection and water testing by an independent third party at operator's expense prior to any seismic, drilling, or infrastructure activity.

Remove options of acidizing, hydraulic fracturing, and horizontal drilling from leases.

Publicly available documents must show all chemicals used in drilling and extraction.

All chemicals and wastewater must be accounted for.

Wastewater must not be injected into abandoned wells, jeopardizing our aquifers.

Set higher bond amounts sufficient to cover damage to entire neighborhoods that may be affected by an incident.

Guarantee full payment of royalties to the State of Idaho and property owners.

Please assure that Idaho does not become just another 'drilling field', brushing aside Idaho's citizens and their rightful property values.

Thank you,
Tim Yoder
Boise, Idaho

IDAHO OIL & GAS
CONSERVATION COMMISSION



IDAHO OIL & GAS

CONSERVATION COMMISSION

From: [Nancy Adams](#)
To: [Kourtney Romine](#)
Subject: Forced pooling
Date: Tuesday, April 09, 2019 03:50:08 PM

Kourtney Romine
Administrative Assistant, IDL
300 N. 6th St., Suite 103, PO Box 83720
Boise, ID 83720

To whom it may concern,

I am a 5th generation Idahoan. I am very concerned with the integrity of Alta Mesa. We live in Payette County and we've been personally harassed for YEARS by these people to sign a contract with them. We refused at least 15 times. They followed us while walking the dogs, while in town, coming to our door multiple times a week. Most of our neighbors signed with them. I am completely against forced pooling. In America if you own property and the mineral rights, there should be no forced acquiescence. We live in New Plymouth, on a 3 generation family farm. We have a high water table and any ground water/aquifer contamination will not be resolved with a lawsuit, or the ability to sue for damages. IF you are going to allow forced pooling then we would expect and demand stringent rules. Alta Mesa has already disregarded the rules that are in place.

On behalf of my family, and every other Idaho resident who could potentially be impacted by oil and gas activities in close proximity to our homes, our kids' schools, our farms, businesses, churches, parks and rivers, I would advise that the following requirements be mandated for all Idaho property owners through a formal, public rulemaking process:

All property owners shall receive permission in writing from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development

All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned

Options of hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases. (Alta Mesa received 2 violations in the past 4 months for recompleting one well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?)

Publicly available documents shall show all chemicals used - with no exemptions for trade secrets - and shall provide proof that all drilling and fracking fluids are disposed of and accounted for as safely as possible

Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. Alta Mesa has proved they will acid frack and recomplete wells without pulling permits so we require the use of tracers as standard policy in all those wells to protect citizens' health and property values)

Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation

Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring

Right-of-way for dangerous pipelines shall be removed from integration contracts. (It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a pipeline or other volatile infrastructure through their property too)

No hydrocarbon wells that have been drilled and abandoned may be used for class II injection of wastewater. (State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. How can we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?)

Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of those operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho. (How can we be guaranteed full payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for alleged underpayment or non-payment of royalties including 1 for alleged fraud, RICO and deceit; the third is for allegedly deceiving shareholders)

Thank you for entering these recommendations into the public record.

Sincerely,
Alvin and Nancy Adams
Zach and Heidi Adams



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Cookie](#)
To: [Kourtney Romine](#)
Subject: IDL Rule Making
Date: Tuesday, April 09, 2019 12:19:48 PM
Attachments: [CA IDL.pdf](#)
[JBR IDL.pdf](#)

Please consider the two attached letters. Thank you.



IDAHO OIL & GAS
CONSERVATION COMMISSION

April 9, 2019

To Whom It May Concern:

It has come to my attention that today is the last day to comment on submitting comments to the Idaho Department of Lands regarding forced pooling of oil and natural gas drilling in Idaho. I have deep concerns about this issue and would like to offer my comments and suggestions.

Of prime concern is that any and all rule changes should be made through formal rulemaking so that the present gas and oil company (Alta Mesa) and any future gas and oil companies clearly understand what is expected and what processes *must* be followed. Further, formal rulemaking would allow the public in general and concerned citizens in particular to ensure that Alta Mesa and others conform to the established rules, procedures and processes. Idaho citizens have observed firsthand what ambiguity and the wholesale absence of rules and procedures have led to and we need to avoid these events and miscalculations in any future exploration.

I am very concerned about the potential future impact on property owners by drilling and exploration activities on their property and the surrounding area. Any oil and natural gas exploration and drilling company proposing to conduct activity in an area should be required to provide documentation to all property owners that *each* property owner's home mortgage company extends its permission IN WRITING prior to any seismic or extraction activity for the term of each individual mortgage. The written permission should also extend to any future owners of the subject property. The burden of obtaining this written permission should not be placed on the property owner but rather on the drilling and exploration company proposing the drilling. Without this written permission from the mortgage company, the home owner is at major risk of impairing any future ability to sell the property for any fair and reasonable selling price. Promulgated rules and regulations should provide protection for Idaho's citizens.

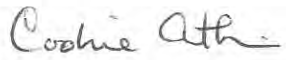
The same concern exists with property insurance. I would recommend that IDL promulgate rules and regulations requiring any oil and natural gas exploration company similarly be required to furnish to each impacted property owner written permission from the property owner's individual insurance company prior to any seismic or extraction activity. Such written permission from the homeowner insurance company should guarantee no future rate increase due to exploration and seismic activity within a 3 mile radius AND guaranteed future coverage of the homeowner for their homes and other personal property.

I also have concerns about domestic and municipal water supplies. I would recommend that rules and regulations be promulgated which require oil and natural gas exploration and extraction companies to provide predrilling baseline water testing of each all domestic and municipal wells within a 5 mile radius of each proposed drilling/extraction site. Testing must contain at a minimum a complete hydrocarbon panel and be conducted by an independent third party. Rules should specify that water testing will be conducted at operator's expense of all domestic and municipal wells within a 5 mile radius of the proposed drilling/extraction site. Further, post drilling testing of each and all wells should be conducted at reasonable regular follow up intervals and monitored by IDL. Rules promulgated should include a

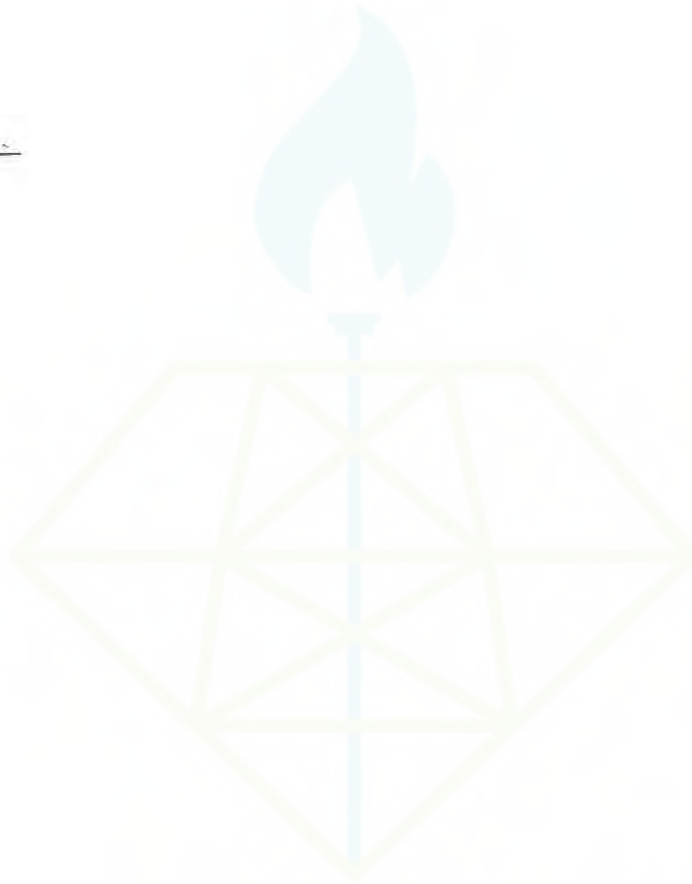
procedure for homeowners and municipalities to recover reasonable damages for damage to water supplies.

I trust the Idaho Department of Lands will consider my concerns. Thank you.

Sincerely,



Cookie Atkins
8036 Estate Blvd.
Fruitland, Idaho



IDAHO OIL & GAS
CONSERVATION COMMISSION

April 9, 2019

To Whom It May Concern:

I am writing to you today to voice my input to the Idaho Department of Lands concerning forced pooling for oil and gas drilling and fracking within Idaho. While our country's future may depend on domestic oil and natural gas production, it should not be conducted without the proper protections for its citizens. I strongly urge the Idaho Department of Lands to formally promulgate rules and regulations so that all players can know the State's expectations and our citizens as well as the IDL can monitor the company's activities, functions and performance in conformance with established rules, regulations and processes.

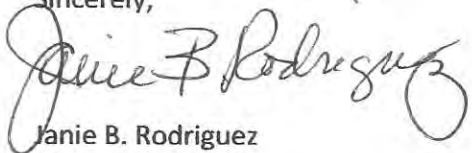
I would recommend that rules contain requirements that any operator companies proposing exploration and drilling activities be required to hold bonding amounts and liability insurance sufficient to cover any present and future damages attributable to their activity on public and private property, domestic and municipal water supplies, public infrastructure, etc. Idahoans need protections and assurances that our property and way of life will be restored to its original or improved condition when drilling/exploration/extraction activities have terminated.

I recommend that rules and regulations be promulgated to provide strict monitoring of production and royalty payments. I am concerned that without provisions for monitoring and scrutiny, homeowners may receive inaccurate royalty payments and have no provision for discovery and/or recovery of proper amounts. Further, since Idaho public lands are included in drilling/exploration/extraction areas, our public needs to be assured that our State is receiving its proper amount due.

As you conduct your rulemaking activities, please provide protections for Idaho's citizens with property insurance and mortgages. We are concerned that drilling/exploration/extraction activities will negatively impact homeowners in these two areas. Homeowners should be assured their mortgage company grants its permission for seismic or extraction activities BEFORE these activities occur, and the burden of obtaining this permission should not be placed on the property owner. Similarly, operators should be required to provide to each property owner PRIOR to any seismic or extraction activities written proof from each individual's property insurance company that premiums will not increase due to gas and oil development AND any structural damage proven to be attributable to the seismic or extraction activities will be covered by the insurance company.

I thank you in advance for your consideration of my concerns.

Sincerely,



Janie B. Rodriguez
8036 Estate Blvd.
Fruitland, Idaho 83619

From: [shannon benedict](#)
To: [Kourtney Romine](#)
Subject: Oil and gas drilling in Fruitland
Date: Tuesday, April 09, 2019 11:40:24 AM

To whom it may concern,

I am an ordinary citizen living in the state of Idaho. Would I be allowed to dig on someone else's property or put toxic chemicals in or near our pristine waterways without being fined thousands of dollars and possibly going to prison.

Since the state of Idaho is allowing the oil and gas operations to go on...with or without my permission...

. I require they get permission in writing from my mortgage company prior to any seismic or extraction activities or placement of supporting infrastructures

. Permission in writing from my insurance company prior to any seismic or extraction activities or placement of supporting infrastructures and guarantee in writing my premiums won't increase as a result of oil and gas development

. Use non-radioactive chemical tracers as standard policy in drilling, treating and fracking

. Set higher bonding requirements with amounts sufficient to cover damages for entire neighborhoods in the event of fire, explosion, contamination or negative health impacts from flaring

. Remove right-of-way for dangerous pipelines through property

I certainly hope The State of Idaho will consider the negative impact oil and gas drilling will have on it's citizens and take steps to insure we will be protected.

Shannon Holtry Benedict
1590 Poplar Ave
Fruitland, Idaho 83619

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Julie Fugate](#)
To: [Kourtney Romine](#)
Subject: Letter to IDL
Date: Tuesday, April 09, 2019 08:38:21 PM

Sue Bixby's internet has been down. She asked me to submit this letter for her. Her email is suebee@fmtc.com Please feel free to contact her for confirmation. Thanks, Julie Fugate

To Whom It May Concern,

This industry does not belong in neighborhoods! I live just *700 feet* from the Barlow well site. This site is surrounded by home with families. I am concerned about the health effects to our young children due to the flaring that occurred last year.

The \$6k bond per section is a joke. I want to continue living in my home without my drinking water being contaminated. I am concerned about the safety factors related to explosions, sink holes and earth quakes. As a property owner that did not lease my mineral rights and did not ask for this industry, I expect someone else to pay the bill for water testing and property appraisal.

The Idaho Department of Lands has a huge weight on their shoulders making this right for the citizens of this state.

I expect all requirements be mandated for property owners using formal and public rule making.

Sincerely,

Sue Bixby

2133 Maple Court

Fruitland, ID 83619
208-452-5178

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Sherry Black](#)
To: [Kourtney Romine](#)
Subject: Forced Pooling
Date: Tuesday, April 09, 2019 02:58:35 PM

Dear Ms. Romine,

As a resident of Eagle Idaho, I am very concerned about forced pooling and how it may affect my private property rights.

In order to ensure the forced pooling (i.e. Integration) process for oil and gas operations is just and reasonable, Idaho property owners require the following changes be mandated through a formal rulemaking process:

1) Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure 2) Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure 3) Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases. (Alta Mesa received 2 violations in the past 4 months for recompleting a well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?) 4) Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible.

5) No using wells drilled, and then abandoned, for class II injection of wastewater. (State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. Why should we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?) Also, I have a question: How will we be guaranteed full payment for our royalties when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? (The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for underpayment or non-payment of royalties; 1 includes alleged Fraud, RICO and Deceit).

I look forward to hearing from you regarding this matter.

Thank you,
Sherry Black
Eagle resident

From: [Campbell Family](#)
To: [Kourtney Romine](#)
Subject: Comments on forced pooling for oil and gas drilling and fracking
Date: Tuesday, April 09, 2019 08:43:23 AM

Dear Ms. Romine,

Please accept my comments as strong objections to forced pooling for oil and gas drilling and fracking in our Idaho communities.

For gas, drilling and fracking to be a just and reasonable part of oil and gas operations in our Idaho communities, I require the following stipulations be considered. I also ask that these changes be set through formal rule making:

- Permission in writing from their insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
- Permission in writing from their insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
- Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases.
- Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking.
- Set higher bonding, strict liability insurance requirements, require indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments
- Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring
- Remove right-of-way for dangerous pipelines through property.

Respectfully,

Karen Rudolph

Boise, Idaho



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Lowell Davis](#)
To: [Kourtney Romine](#)
Subject: . Letter to idaho department of lands
Date: Tuesday, April 09, 2019 04:55:46 PM

My name is Geraldine Davis and my husband Lowell and I live a stones throw away from the Fallon well. We listened to this wells burn off 24 hours a day all summer. We were concerned at this time what toxins were being emitted. We did not sign with this company and were forced pooled.

We have concerns for health, water quality, air quality and peace of mind. This type of industry should be done away from residential areas due to the risk to individuals and a very healthy bond to cover any compensation for homeowners losses. How can we trust the State regulators to monitor the safety of our water resources and waste water disposal when they have been ineffective to this point .IOGCC has failed to hold Alta Mesa accountable for accurate records of payments. Alta Mesa does as they please with no regard to laws or permits. This is very worry some for us as our insurance policy will not cover man caused earthquakes and explosions. Please help and do your duty to the people of the State of Idaho.



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Dana Gross](#)
To: [Kourtney Romine](#)
Subject: Idaho Gas Extraction Concerns
Date: Monday, April 08, 2019 09:55:38 PM

To The Idaho Department of Lands,

As home owners in Payette County , Fruitland to be exact, we are very concerned about natural gas extraction in our community. So far Alta Mesa's extraction activity in our town has been dishonest, irresponsible, and non-beneficial. We feel it is completely un-just and unreasonable to be forced to hand over our mineral rights to an unstable company with questionable ethics and protocol to boot. Before landowners are forced to allow entities to interfere with our land, our lives, and our livelihoods, you would think that said entities would be required to provide strong financial and ethical track-records. We would like to request a strict due diligence process before out-of-state gas and oil companies even step foot in our beautiful state. Once the stability, safety, and ethics of these potential leasees have been deemed acceptable, we believe the following should be mandated through a formal rule making process before forced-pooling can even begin to be deemed just and reasonable:

- Permission in writing from property owner's mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure
 - Permission in writing from home owner's insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
 - Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
 - Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
 - Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases.
 - Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible
 - Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking.
 - Set higher bonding, strict liability insurance

requirements, require indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments

- Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring
 - Remove right-of-way for dangerous pipelines through property.
 - No using wells drilled, and then abandoned, for class II injection of wastewater.
 - Accurate and complete production records must be made readily available to the IOGCC, and to the public to ensure that royalties are being paid in full.
-

We in Payette County, the ones who are being directly affected by Alta Mesa's extraction activities, feel we have been given a second chance to speak up for ourselves to ensure that we are being treated justly and reasonably. Idaho's rule makers have been given an opportunity to learn from the mistakes that have already been made in a short time since a company such as Alta Mesa has been allowed in our backyards. We implore you to take this opportunity to make sure that stricter guidelines are put into place to protect Idaho property owners from liability and protect Idaho's water from being tainted forever. Please stand up for Idaho!

Thank you for your time and consideration.

Dana Gross
Mother of three, Farmer, Native Idahoan
Fruitland, Idaho

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Judy Echanow](#)
To: [Kourtney Romine](#)
Subject: Recommendations for Oil and Gas Operations in Idaho
Date: Tuesday, April 09, 2019 10:19:39 AM

Ms. Kourtney Romine
 Administrative Assistant, IDL
 300 N. Sixth Street, Suite 103
 Boise, Idaho 83720

Dear Ms. Romine,

As a resident of Idaho, I would like to submit the following recommendations that I feel are important regarding how the Commission should determine terms and conditions for integration (forced pooling orders) that are just and reasonable.

As a property owner, I would advise that the following requirements be mandated for all Idaho property owners through a formal, public rulemaking process:

- pre-drilling baseline water testing with complete hydrocarbon panel by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
- non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking
- no using wells drilled, and then abandoned, for Class II injection of wastewater
- remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases
- publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible
- options of hydraulic fracturing, acid fracturing, and horizontal drilling shall be removed from all leases
- all property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities and guarantee in writing that there will not be an increase in premiums as a result of oil and gas development

Thank you for entering of these recommendations into the public record.

Sincerely,

Judy Echanow
4150 West Bolton Drive
Eagle, Idaho

Sent from my iPad



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Julie Fugate](#)
To: [Kourtney Romine](#)
Subject: Public Comment to IDL
Date: Monday, April 08, 2019 08:04:51 PM

To Whom It May Concern:

I live next to the two most recent well sites in Payette county. The Barlow site is one mile to the east, and the Fallon site one mile to the north west, of my home. As we know, these well sites are in the flood plain.

I have many concerns for myself, my neighbors and my community. First, I want to see a bond that will provide fair compensation. It can no longer be denied that fracking is occurring in our beautiful state. This means toxins, chemicals, and poisons are now in the ground. It is not a matter of IF our water is contaminated, but instead WHEN. I expect a bond that will provide compensation for hauling water to my property. Further, chemical tracers need to be utilized to assist with identifying contamination.

My insurance policy will not cover man caused earthquakes and explosions. I want a bond that will provide fair compensation to cover my property and home.

It is documented deaths do occur as the result of this industry. I want a bond that will cover compensation for the value of my life and my husband's life.

I want baseline testing done on my private well by a third party, that is NOT at my expense. Testing needs to be repeated annually, again NOT at my expense.

I want an appraisal of my property, NOT at my expense.

Residents of this state have the right to know what chemicals are being used for drilling and the wells in production. This information needs to be available, including EMT and medical personnel.

Last, I want these requirements to be mandated for property owners using formal and public rule making.

Sincerely,

Julie Fugate
1861 NW 24th St.
Fruitland, ID 83619

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Sherry Gordon](#)
To: [Kourtney Romine](#)
Subject: comments on "integration" of unwilling minerals leasers
Date: Tuesday, April 09, 2019 01:46:02 PM

Via:

Ms. Kourtney Romine
Administrative Asst., Idaho Dept. of Lands
300 N. 6th St., Suite 103, PO Box 83720
Boise, ID 83720

To all whom it may concern,

I fully agree with the comments of C.A.I.A. president Shelley Brock as submitted to you yesterday, regarding 'just and reasonable' conditions for 'integration' (forced pooling) of unwilling gas/oil leasers. However, I add one further and very important element:

It is not 'just and reasonable' to force minerals owners to lease -and- force them to accept -any- surface use of their property for purposes related to gas/oil production. This includes pipelines - and- access roadways, temporary access across the 'deemed leased' property, and placement of any and all tanks, holding ponds, and processing facilities - industrial uses of the property that can break mortgage and insurance policies as well as damage property, health, and certainly enjoyment of private property rights.

The State's rules say that for a producer to apply for 'integration', a well site must already be identified and leased - but they do -not- prohibit other surface land uses (other than via setbacks) or -later- requesting of other well sites or infrastructure in the same block of land (which, if granted, could very well have prevented those who -did- willingly lease from doing so, had they seen into the future).

The stated rationale for 'integration'/forced pooling is to ensure equity for mineral holders in the vicinity of a well, as well as to limit competition for the producer. This is accomplished -without- further encumbering the private rights of unwilling leasers. Any such further encumbering is clearly a -gift- to the producer, paid for by property holders who are already being taken from in what may be a major way, having their rural and/or residential neighborhood turned into an industrial zone.

Let's have at least a semblance of -real- equity between the rights of those who want to lease and those who don't, and -real- championing of private property rights in Idaho (i.e., which would not be -just- for the 'private property rights' of those who want to make money by leasing their subsurface mineral rights to industrial development companies).

Sincerely,

Sherry Gordon, property holder in Emmett, ID

From: [Heather Holtry](#)
To: [Kourtney Romine](#)
Subject: Alta Mesa Hearing
Date: Tuesday, April 09, 2019 04:31:14 PM

To the Idaho Department of Lands:

You might recognize my name as one of the Plaintiffs in the case against the state in the recent lawsuit regarding Alta Mesa.

It is no secret that I am totally against forced integration. It is my opinion that all leases should be vacated as I believe that many of my neighbors signed based on misinformation provided by Alta Mesa as incentive or pressure to agree.

That aside, it is my sworn statement that there is no amount of money that would cause me to sign into a lease agreement with Alta Mesa. However, I have been asked to reconsider in the effort of compromise, as it is unlikely my position of "no drilling" will come to fruition.

I would like to say that I agree wholeheartedly with all of CAIA's recommendations for the formal rulemaking process. In addition I feel that affected homeowners and residents should be entitled to receive fair market value for homes, and re-location expenses at the expense of Alta Mesa should our property values decrease due to drilling/fracking or unforeseen consequences related to the drilling. Furthermore, homeowners and residents should be entitled to have all healthcare expenses paid for at the expense of Alta Mesa should drilling/fracking cause any health issues.

Bond amounts and insurance requirements for Alta Mesa should reflect this for each homeowner or resident in the affected areas, not just those who are force pooled.

Thank you,

Rachael Heather Holtry
1309 Aspen Dr
Fruitland, ID 83619

From: [Joey Ishida](#)
To: [Kourtney Romine](#)
Subject: Idl letter
Date: Monday, April 08, 2019 08:18:47 PM

Sent from my iPhone

To Idl Commission,

We have been told by Alta Mesa that fracking in sandstone is not necessary. Fracking with toxic chemicals that may pollute all our resources shall not be allowed.

Idl should make it their number one priority to protect our land, air and water over the interest of industry. Make it mandatory that all procedures be recorded and open to the public.

Why are the residences of Idaho put at risk by an out of State company only interested in removing resources owned by the citizens of Idaho for their own profit. We shouldn't be forced to go into business with an unstable and unethical company. We the property owners are absorbing all the risk.

Remember not all people are for the oil and gas industry in Idaho. We also demand to be represented by Idl and the Oil and gas Commission.

Joey and Brenda Ishida
Home owners PayetteCounty ID



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [jordan.gross](#)
To: [Kourtney.Romine](#)
Subject: My thoughts on gas extraction in Idaho
Date: Monday, April 08, 2019 09:56:56 PM

To The Idaho Department of Lands,

As home owners in Payette County , Fruitland to be exact, we are very concerned about natural gas extraction in our community. So far Alta Mesa's extraction activity in our town has been dishonest, irresponsible, and non-beneficial. We feel it is completely un-just and unreasonable to be forced to hand over our mineral rights to an unstable company with questionable ethics and protocol to boot. Before landowners are forced to allow entities to interfere with our land, our lives, and our livelihoods, you would think that said entities would be required to provide strong financial and ethical track-records. We would like to request a strict due diligence process before out-of-state gas and oil companies even step foot in our beautiful state. Once the stability, safety, and ethics of these potential leasees have been deemed acceptable, we believe the following should be mandated through a formal rule making process before forced-pooling can even begin to be deemed just and reasonable:

- Permission in writing from property owner's mortgage company prior to any seismic or extraction activities or placement of supporting infrastructure
 - Permission in writing from home owner's insurance company prior to any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development
 - Pre-drilling baseline property inspection and appraisal by licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
 - Pre-drilling baseline water testing with complete hydrocarbon panel by independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure
 - Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases.
 - Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible
 - Non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking.
 - Set higher bonding, strict liability insurance requirements, require indemnification and ensure there are no

exemptions for wells that are chemically treated whether through hydraulic fracturing, acidizing or any other form of well treatments

- Bond amounts should be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, negative health impacts from flaring
 - Remove right-of-way for dangerous pipelines through property.
 - No using wells drilled, and then abandoned, for class II injection of wastewater.
 - Accurate and complete production records must be made readily available to the IOGCC, and to the public to ensure that royalties are being paid in full.
-

We in Payette County, the ones who are being directly affected by Alta Mesa's extraction activities, feel we have been given a second chance to speak up for ourselves to ensure that we are being treated justly and reasonably. Idaho's rule makers have been given an opportunity to learn from the mistakes that have already been made in a short time since a company such as Alta Mesa has been allowed in our backyards. We implore you to take this opportunity to make sure that stricter guidelines are put into place to protect Idaho property owners from liability and protect Idaho's water from being tainted forever. Please stand up for Idaho!

Thank you for your time and consideration.

Jordan Gross
Father of three, Farmer, Native Idahoan
Fruitland, Idaho

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [ryan keck](#)
To: [Kourtney Romine](#)
Subject: Forced pooling for oil and gas drilling
Date: Tuesday, April 09, 2019 10:32:40 AM

Kourtney Romine
 Administrative Assistant, IDL
 300 N. 6th St., Suite 103, PO Box 83720
 Boise, ID 83720

To whom it may concern,

As a native Idaho resident, caregiver for disabled adults, well user, and father I would like to submit the following recommendations regarding how the Commission should determine terms and conditions for integration (forced pooling) orders that are 'just and reasonable'.

On behalf of my family and every other Idaho resident who could potentially be impacted by oil and gas activities in close proximity to our homes, schools, farms, businesses, churches, parks and rivers, I would advise that the following requirements be mandated for all Idaho property owners through a formal, public rule-making process:

All property owners shall receive permission in writing from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development

All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned.

Options of hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases. (Alta Mesa received 2 violations in the past 4 months for re-completing one well and acid fracturing another with no permits.)

Publicly available documents shall show all chemicals used - with no exemptions for trade secrets - and shall provide proof that all drilling and fracking fluids are disposed of and accounted for as safely as possible

Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. Groundwater contamination will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages.

Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation

Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring

Right-of-way for dangerous pipelines shall be removed from integration contracts.

No hydrocarbon wells that have been drilled and abandoned may be used for class II injection of

wastewater.

Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of those operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho. (The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for alleged underpayment or non-payment of royalties including 1 for alleged fraud, RICO and deceit; the third is for allegedly deceiving shareholders.)

Thank you for entering these recommendations into the public record.

Sincerely,
Ryan Keck
Fruitland, Idaho



IDAHO OIL & GAS
CONSERVATION COMMISSION

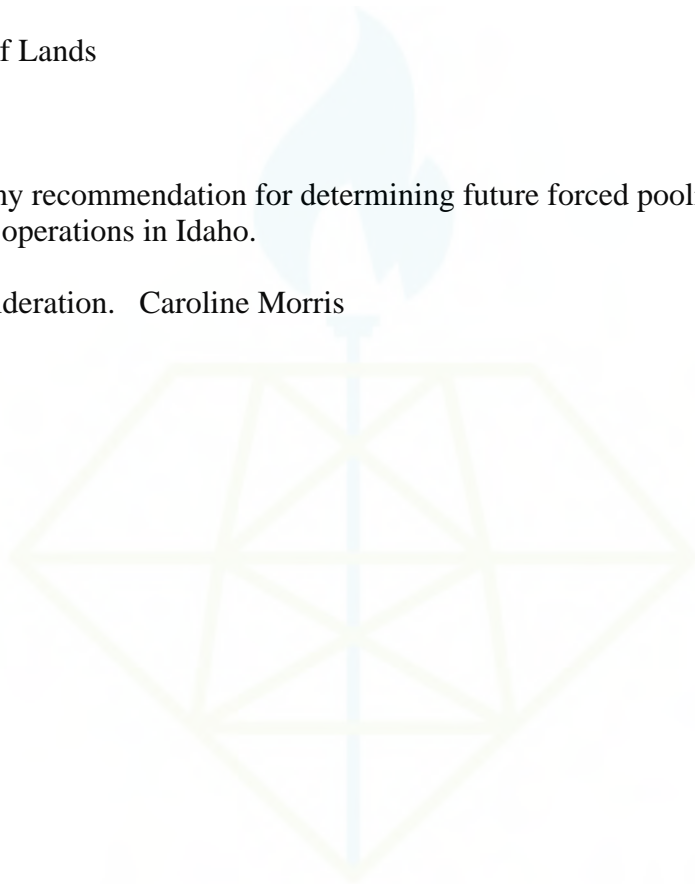
From: [Caroline Morris](#)
To: [Kourtney Romine](#)
Cc: [Caroline Morris](#)
Subject: Recommended Future Idaho Oil & Gas Forced Pooling Standards
Date: Tuesday, April 09, 2019 12:17:05 PM
Attachments: [IDL Itr 4-9-19.docx](#)

Kourtney Romine
Idaho Department of Lands

Hello Kourtney,

Attached below is my recommendation for determining future forced pooling standards to regulate oil and gas operations in Idaho.

Thank you for consideration. Caroline Morris



IDAHO OIL & GAS
CONSERVATION COMMISSION

April 9, 2019

Greetings Idaho Department of Lands Staff:

As an Idaho property owner, I urge the Idaho Oil and Gas Conservation Commission's (IOGCC) adoption of a new 'just and reasonable' standard to far better ensure that the forced pooling/integration process for oil and gas operations is fair for all landowners involved. Criteria for just and reasonable forced pooling shall include the following changes, to be determined in a formal rulemaking proceeding:

Prior to any seismic exploration, extraction activity, or placement of supporting infrastructure, the oil and gas developer (developer/operator, below) must demonstrate to the IOGCC that it has received written permission from the landowner's:

- Mortgage company, and
- Insurance company, with its written guarantee of no policy premium increase because of oil and gas development.

At the operator's expense, a licensed independent third party shall prepare these pre-drilling baseline reports for each landowner:

- Property inspection and appraisal, and
- Water testing with complete hydrocarbon panel.

Land leases shall contain NO options for hydraulic fracturing, acidizing, or horizontal drilling.

The drilling, fracking, treating or any other chemicals used or disposed by the operator/developer on each landowner's property must be:

- Non-radioactive chemical tracers or tagging agents, and
- Fully disclosed in documents provided to that landowner and available by public request.

Bond amounts and liability insurance minimums shall be fully adequate to:

- Cover damages to entire neighborhoods, resulting from developer-related fire, explosion, water contamination, or all other negative health impacts from flaring or drilling, and
- Require complete indemnification, with no exemptions for any type of chemically treated wells, hydraulic fracturing, acidizing or other method.

Other necessary rules for just and reasonable regulation include:

- Removing dangerous pipeline rights-of-way,
- Banning re-use of drilled-and-abandoned wells for class II wastewater injection, and
- Providing for full payment of royalties.

By adopting these just and reasonable measures, and overseeing full enforcement, the IOGCC/IDL is more likely to ensure that the forced pooling/integration process for oil and gas operations is fair and just for all landowners involved. Please prepare to do it!

Yours truly,

/s/ = email from fleursmorris@gmail.com
Caroline Morris
Boise, Idaho

From: [Joe Morton](#)
To: [Kourtney Romine](#)
Subject: Oil & Gas - Public Comment for Integration and Rulemaking
Date: Tuesday, April 09, 2019 04:56:54 PM

Idaho Department of Lands

Oil & Gas Division

Re: Public Comment for Integration and Rulemaking

To whom this may concern,

I am opposed to any rules and or legislation that lessens private property owner rights.

Please consider the following:

1 – All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

2 -All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

3 - All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned

4 - Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. Alta Mesa has proved they will acid frack and recomplete wells without pulling permits so we require the use of tracers as standard policy in all those wells to protect citizens' health and property values)

5 – Pipeline infrastructure installation rules must be updated to include Smart Pig testing technology. Additionally, existing gathering line must be tested for integrity every two years.

6 – Rules need to include an audit trail for all waste disposal. Records must include 3rd party transportation.

Respectfully Submitted,

Joe Morton

Emmett, Idaho

From: [Teri Person](#)
To: [Kourtney Romine](#)
Cc: sb-caia@hotmail.com
Subject: . Alta Mesa
Date: Tuesday, April 09, 2019 12:39:41 PM

Dear Sir:

My name is Mel Person and my Wife (Terri) and I live at 2146 N. 16th Street in Fruitland.

We are in a section that contains a natural gas well drilled by Alta Mesa. During the process of Forced Pooling and the earlier exploratory phases in our section found Alta Mesa to be, at best, dishonest and deceitful.

They knowingly and willingly lied about the process to our neighbors and us.

Since then, we understand, that they have been less than honest and forthright with neighbors in other areas of the County with regard to owed Royalties and paperwork.

It is also my understanding that a member of this Board was replaced because of his questionably close ties to Alta Mesa through the ownership of Alta Mesa Stock.

More recently we have learned that Alta Mesa has injected chemicals into an existing well in order to help boost production. This was done without disclosure or following necessary protocol. So much for Governor Little's claim of "NoFracking" during his campaign.

My question or concern is. Why are we still dealing with this company? The clearly are less than a reputable and honest partner. Your job, or at least part of your job, is to protect the safety, health and wellbeing of the citizens of Idaho. We ask that you fulfill this obligation with regard to Alta Mesa and tell them that they are welcome to leave.

Our City Council in Fruitland enacted some very stringent ordinances to protect its citizens from exactly the type of problems created by companies like Alta Mesa. We salute them and expect nothing less from this organization.

Sincerely,

Mel and Terri Person

From: [Jeanette Reiners](#)
To: [Kourtney Romine](#)
Cc: sb-caia@hotmail.com
Subject: oil and gas drilling
Date: Monday, April 08, 2019 08:01:28 PM

Ms. Romine,

As a medical profession and a mother I am adamantly opposed to fracking and drilling operations near my home. I did some research on public safety as it relates to oil drilling and fracking and was deeply disappointed by what I found. The potential health implications related to fracking and oil operations range from skin disorders, respiratory problems to cancer. As someone who has cared for people in the worst moments of their lives, I believe it is our responsibility to protect the public from unnecessary harm.

I have lived in third world countries while serving in the United States Navy, and those experiences made me thankful that I live in a state that has clean air, and water. Fracking and oil drilling risks our air quality, underground water quality, and could negatively impact the snake river.

Owning a home, owning property is the greatest investment that many of us will make in our lives, and you are asking us to endanger our homes and our families. Oil drilling and fracking has been linked to seismic activity, pollution of underground reservoirs and a decrease in property values.

In order to ensure that the general population's safety and the homeowners property and rights are protected we need bond amounts that are sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, or negative health impacts from flaring.

Remove right-of-way for dangerous pipelines through their property. (It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a volatile pipeline through there too).

Publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible.

Set higher bonding, strict liability insurance requirements, require indemnification and ensure there are no exemptions for wells that are chemically treated whether through hydraulic fracturing, acidifying or any other form of well treatments.

Sincerely,
Jeanette Reiners

From: [Jane Rohling](#)
To: [Kourtney Romine](#)
Subject: Comments regarding rules for forced pooling
Date: Tuesday, April 09, 2019 04:15:58 AM
Attachments: [2019-04-08_IDL-IOGCC_Forced-pooling_JaneRohling.pdf](#)

Jane M. Rohling
 582 Palmetto Drive
 Eagle, ID 83616
 April 9, 2019

Idaho Department of Lands/Idaho Oil & Gas Conservation Commission
 Attn.: Kourtney Romine, Administrative Assistant, IDL
 300 N. 6th St., Suite 103, PO Box 83720, Boise, ID 83720
kromine@idl.idaho.gov

To whom it may concern,

I am submitting this letter to express my concerns about the process of force-pooling Idaho property owners who do not want to lease their mineral rights to oil and gas developers. I understand that the Idaho Oil and Gas Conservation Commission and Idaho Department of Lands are required to determine new “just and reasonable” rules for forcing property owners to sign away their property rights as a result of the Judge’s decision in the lawsuit brought against the State regarding this process. should determine terms and conditions for integration (forced pooling). While I am adamantly opposed to forced-pooling of any kind, if this inherently unjust process is to be continued in Idaho, it is critical that the compensation private a mineral rights owner receives is in line with the risks to health, safety, and loss of property value incurred when this type of development occurs.

The following are some recommendations for considerations I believe to be considerations that should be afforded to any mineral owner faced with being force-pooled through the integration process:

- All property owners shall receive:
 - written permission from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure on their property,
 - written permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and a guarantee that premiums will not increase as a result of oil and gas development,
 - a pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator’s expense prior to any seismic or extraction activities or placement of supporting infrastructure,
 - pre-drilling baseline water testing and post-drilling water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator’s expense prior to any seismic or extraction activities or placement of supporting infrastructure, and at regular intervals during the life of the well and after it is plugged and abandoned.

- Options for hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases.

- Publicly available documents shall show ALL chemicals used – with no exemptions for trade secrets – and shall provide proof that all drilling and fracking fluids (if fracking is allowed) are disposed of and accounted for according to all applicable local, state and federal regulations for such disposal.

- Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking so any groundwater contamination is traceable to its source.
- Property owners should have grounds to litigate for damages.

- Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation.
 - Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring.

- Right-of-way for dangerous pipelines shall be removed from integration contracts.
- Abandoned hydrocarbon wells may not be used for class II injection of wastewater.

- Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho.

Please enter these recommendations into the public record.

Jane M. Rohling

Jane M. Rohling
582 Palmetto Drive
Eagle, ID 83616
April 9, 2019

Idaho Department of Lands/Idaho Oil & Gas Conservation Commission
Attn.: Kourtney Romine, Administrative Assistant, IDL
300 N. 6th St., Suite 103, PO Box 83720, Boise, ID 83720
kromine@idl.idaho.gov

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 - a pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator’s expense prior to any seismic or extraction activities or placement of supporting infrastructure,
 - pre-drilling baseline water testing and post-drilling water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator’s expense prior to any seismic or extraction activities or placement of supporting infrastructure, and at regular intervals during the life of the well and after it is plugged and abandoned.
- Options for hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases.
- Publicly available documents shall show ALL chemicals used – with no exemptions for trade secrets – and shall provide proof that all drilling and fracking fluids (if fracking is allowed) are disposed of and accounted for according to all applicable local, state and federal regulations for such disposal.
 - Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking so any groundwater contamination is traceable to its source.
 - Property owners should have grounds to litigate for damages.
- Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation.
 - Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring.
- Right-of-way for dangerous pipelines shall be removed from integration contracts.

Idaho Department of Lands/Idaho Oil & Gas Conservation Commission

Attn.: Kourtney Romine, Administrative Assistant, IDL

300 N. 6th St., Suite 103, PO Box 83720, Boise, ID 83720

kromine@idl.idaho.gov

April 9, 2019

Page 2

- Abandoned hydrocarbon wells may not be used for class II injection of wastewater.
- Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho.

Please enter these recommendations into the public record.

Jane M. Rohling



IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [Kris Tabor](#)
To: [Kourtney Romine](#)
Subject: Testimony: Forced Pooling
Date: Tuesday, April 09, 2019 04:16:37 PM

Kourtney Romine
Idaho Department of Lands

To Whom It May Concern:

As an Idaho property owner it is impossible to sit by quietly and watch my property rights being eroded. This state has given far too much to the oil and gas industry. Why have Idaho politicians not protected their constituents and instead have coveted gas and oil interests? It gravely concerns me at the power and influence Idaho has given away to these out-of-state corporations.

In fact Idaho needs to drop forced pooling altogether. At this point that would be a miracle and a blessing. So short of that I expect to see the following changes regarding forced pooling rules. I will include two similar sets, both originally written by two long term Idaho residents that I fully respect. They have no hidden agendas and are not lining their purses with gas and oil money. I agree with each of them 100%.

Set one, Mary Ollie:

1. The property owner's mortgage company shall be informed and shall give permission in writing prior to any seismic or extraction activities or placement of supporting infrastructure.
2. The property owner's insurance company shall give permission in writing prior to any seismic or extraction activities or placement of supporting infrastructure and shall guarantee in writing that premiums won't increase as a result of oil and gas development.
3. A pre-drilling property inspection and appraisal by a licensed independent third party shall be conducted at the operator's expense prior to any seismic or extraction activities or placement.
4. Publicly available documents shall provide (a) a listing of chemicals used and (b) documentation that all drilling and fracking fluids are disposed of and accounted for.
5. Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination, and negative health impacts from flaring.
6. Right of way for pipelines through private property shall be removed.

Set two, Shelley Brock:

On behalf of my family, fellow CAIA team members and every other Idaho resident who could potentially be impacted by oil and gas activities in close proximity to our homes, our kids' schools, our farms, businesses, churches, parks and rivers, I would advise that the following requirements be mandated for all Idaho property owners through a formal, public rulemaking process:

All property owners shall receive permission in writing from their mortgage company prior to the start of any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive permission in writing from their insurance company prior to the start of any seismic or extraction activities or placement of supporting infrastructure and guarantee in writing that premiums won't increase as a result of oil and gas development

All property owners shall receive pre-drilling baseline property inspection and appraisal by a licensed independent third party at operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive pre-drilling baseline water testing with complete hydrocarbon panel to be collected and performed by an independent third party at the operator's expense prior to any seismic or extraction activities or placement of supporting infrastructure

All property owners shall receive post-drilling water testing with complete hydrocarbon panel to be collected and completed by an independent third party at the operator's expense at regular intervals during the life of the well and after it is plugged and abandoned

Options of hydraulic fracturing, acid fracturing and horizontal drilling shall be removed from all leases. (Alta Mesa received 2 violations in the past 4 months for recompleting one well and acid fracturing another with no permits. What guarantee can IOGCC and IDL give that they will follow laws and rules going forward?)

Publicly available documents shall show all chemicals used - with no exemptions for trade secrets - and shall provide proof that all drilling and fracking fluids are disposed of and accounted for as safely as possible

Non-radioactive chemical tracers or tagging agents unique to every well shall be used in all fluids for drilling, treating and fracking. (If groundwater contamination occurs it will destroy property values and threaten public health. Contamination must be traceable to its source and property owners should have grounds to litigate for damages. Alta Mesa has proved they will acid frack and recomplete wells without pulling permits so we require the use of tracers as standard policy in all those wells to protect citizens' health and property values)

Stricter liability insurance and indemnification shall be mandatory with no exemptions for wells that are chemically treated whether through hydraulic fracturing, acid fracturing or any other form of well stimulation

Bond amounts shall be sufficient to cover damages for entire neighborhoods in the event of fire, explosion, water contamination and negative health impacts from flaring

Right-of-way for dangerous pipelines shall be removed from integration contracts. (It's not just and reasonable to tell property owners they are going to pay them 12.5% royalty and then force them to accept a pipeline or other volatile infrastructure through their property too)

No hydrocarbon wells that have been drilled and abandoned may be used for class II injection of wastewater. (State regulators have repeatedly told us they will just be putting the naturally occurring water that comes out of these wells back into the porous rock reservoir where it came from. Now the state's own public records prove this produced and flowback water is

laden with toxic chemicals that pose a threat to our aquifers, surface waterways and soil. How can we trust state regulators to safely monitor the protection of our water resources and disposal of wastewater when they have been ineffective to this point?)

Property owners demand a guarantee that any delay or discrepancies in the reporting and payment of royalty payments due them by any operator shall result in the immediate shut down of those operations, unless and until the discrepancy is resolved to the satisfaction of the property owner. Repeated violations of this requirement shall result in termination of the operator's license to do business in Idaho. (How can we be guaranteed full payment for our royalties and severance taxes when the IOGCC has failed to hold Alta Mesa accountable for accurate and complete production records since they first started operating here? The current class action lawsuit filed recently against Alta Mesa by Payette County property owners is the third in just 17 months against this company and 2 of those are for alleged underpayment or non-payment of royalties including 1 for alleged fraud, RICO and deceit; the third is for allegedly deceiving shareholders)

Thank you for entering these recommendations into the public record.

Sincerely,

Kris Tabor

1018 E. 2nd

Emmett, ID 83617

IDAHO OIL & GAS
CONSERVATION COMMISSION

From: [nancy wood](#)
To: [Kourtney Romine](#)
Subject: IOGCC 4/23/29 Hearing on Future Forced Pooling Applications
Date: Monday, April 08, 2019 07:51:17 PM

To Whom It May Concern:

In anticipation of the IOGCC's April 23 hearing regarding CAIA's winning of a forced pooling federal lawsuit and how the commission should proceed with future forced pooling applications, I would like to mention several important things I hope the commission will seriously consider.

1. Remove options of hydraulic fracturing, acidizing and horizontal drilling from the leases. Considering that Alta Mesa has received two violations in the recent past, what measures will the IOGCC and IDL take to ensure that laws/rules will be followed? The health of Idaho citizens and our environment are at stake here.
2. In the spirit of transparency and corporate responsibility, publicly available documents must show chemicals used and that all drilling and fracking fluids are disposed of and accounted for as safely as possible.
3. In order to safeguard public health and maintain Idaho property values, non-radioactive chemical tracers or tagging agents unique to every well must be used in all fluids for drilling, treating and fracking.

My concerns listed above are only several of many the commission should review with great deliberation given its responsibility for Idaho and its citizens.

Respectfully,

Nancy Wood

1291 N. Echo Creek Place

Eagle, ID 83616



IDAHO OIL & GAS

CONSERVATION COMMISSION

BEFORE THE IDAHO DEPARTMENT OF LANDS

IN THE MATTER OF:)
)
APPLICATION OF AM IDAHO, LLC, AND)
ALTA MESA SERVICES, LP, TO ESTABLISH)
A SPACING UNIT AND FOR THE)
INTEGRATION OF ALL UNCOMMITTED)
OWNERS IN THE PROPOSED UNIT)
CONSISTING OF THE SE ¼ OF SECTION 9, THE)
SW ¼ OF SECTION 10, THE NW ¼ OF)
OF SECTION 15, AND THE NE ¼ OF SECTION)
16, TOWNSHIP 8 NORTH, RANGE 5 WEST,)
BOISE MERIDIAN, PAYETTE COUNTY,)
IDAHO)
)
AM IDAHO, LLC, and)
ALTA MESA SERVICES, LP, Applicants.)
/

Docket No. CC-2016-OGR-01-004

**REPLY OF APPLICANT
AM IDAHO, LLC, PURSUANT
TO MARCH 27, 2019 NOTICE OF
HEARING TO VACATE ORDER**

AM Idaho, LLC (“AMI”), the Applicant under the above-docketed matter number, files this brief in response to the comments and motion submitted in response to the Commission’s March 27, 2019 Notice of Hearing to Vacate Order.

The Notice was directed to “parties” and “mineral interest owner[s] in the affected unit” area. However, one of the parties in this action, industry opponent CAIA, encouraged its members and supporters on its website (<https://integrityandaccountability.org/>) to supply comments partially or wholly copied from the comments of CAIA’s president, Shelly Brock, irrespective of whether they were parties to this matter or mineral interest owners in the affected unit area. As a result, of nearly fifty comments submitted, only about four are from mineral interest owners in the unit area. The large majority were submitted by people with no connection to the

proposed unit – including residents of Eagle (a dozen or more), Boise, Star, Meridian, Sun Valley, Bonner’s Ferry, Emmett, Caldwell, New Plymouth, and near Sandpoint.¹

While the Commission requested comments “regarding the procedures and steps the Commission should take to determine terms and conditions that would fulfill the statutory requirement that ‘[e]ach such integration order shall be upon terms that are just and reasonable,” virtually none of the submitted comments are addressed to that request. Rather, the comments may be broken down into a few categories:

1. Opposing oil and gas development entirely;
2. Opposing integration (generally addressed by the apparently perjorative “forced pooling”) entirely;
3. Opposing hydraulic fracturing, “acid fracturing”² or horizontal drilling entirely;
4. Demanding “formal rulemaking”; and
5. Demanding that a list of conditions – including things such as requiring an operator to pay for appraisals of every single house in a proposed unit, before and after drilling, or requiring that an operator obtain the written permission

¹ CAIA has portrayed itself as representing mineral interest owners in the affected unit (although this assertion was never seriously tested) and has suggested that it seeks only “reasonable regulation” of the oil and gas industry. The comments submitted in coordination with Ms. Brock’s demands clearly indicate neither of these is true. Almost all the commenters participating at CAIA’s urging are not owners in the unit area. CAIA members have acknowledged in other venues that they actually seek the end of oil and gas development in Idaho. Their demands are intended stop development through prohibition of necessary activities or elements, delay, or prohibitive expense.

² The term “acid fracturing” is an incorrect description; acid fracturing is a procedure specific to carbonate formations and is not used in a sandstone formation. Acidization at below fracture gradient to dissolve the sediments and mud solids within the pores that are inhibiting the permeability of a formation is an entirely different procedure.

of every mortgagee and every insurer of every residential owner in a proposed unit before engaging in any activities -- be imposed on an operator.

The majority of comments simply copied, in whole or in part, the list of demands from Ms. Brock's comment on behalf of CAIA. In addition, counsel for the parties who appeared in this matter filed a "Motion to Enlarge Time," which we address further below.

The only part of some of the comments arguably responsive to the Notice is the insistence upon "formal rulemaking." Nothing in the Memorandum Decision and Order entered in the *CAIA v. Schultz* case requires the Commission to conduct a rulemaking as a means of formulating and "explaining the factors that will be considered in determining whether the terms and conditions of an integration order are 'just and reasonable.'" *Memorandum Decision and Order* at 23. Likewise, nothing in Idaho Code § 47-320(1) requires a rulemaking. Instead, it simply provides "may prescribe the terms and conditions upon which the royalty interests in the unit or units shall, in the absence of voluntary agreement, be deemed to be integrated," and that each integration order "shall be upon terms and conditions that are just and reasonable."

The District Court in *CAIA v. Schultz* recognized that "the Commission has a significant amount of discretion to decide what 'just and reasonable' means[.] *Memorandum Decision and Order* at 15. Moreover, as the District court explained, due process does not require a hearing conducted according to a specific formula or a particular outcome, but only "the opportunity to be heard 'in a meaningful manner,' i.e., in a manner "tailored to the capacities and circumstances of those who are to be heard." *Id.* at 17. In this context, the District Court conclude all that requires is "a clear explanation of the factors considered in applying the 'just and reasonable' standard." *Id.* at 19. In fact, while the District Court "encouraged" the Commission to "revise its regulations" to develop factors in the future, it

notably did *not* impose this as a requirement. *Id.* at 20. Nothing precludes the Commission from conducting a rulemaking to develop rules for use with future integration applications, if it concludes such a process would be beneficial, while in the meantime hearing AMI's application and complying with the District Court's directive to provide a clear explanation of factors to be considered in determining just and reasonable terms.

Indeed, because as the District Court noted, application of the standard necessarily involves "a significant amount of discretion," limiting the factors in any one case to a set list enshrined in rule arguably could inappropriately limit the Commission's ability to evaluate factors relevant to a specific unit area. More obviously, halting any integration application hearing pending a rulemaking would delay AMI's application by a year because of the statutory requirement for all rules to be reviewed by the Legislature before becoming effective. *See* Idaho Code § 67-5224(5). While this is likely the commenters' real intent, it would be extraordinarily unfair and harmful to AMI, particularly given its significant investment in the unit and the Fallon #1-10 well.

Unfortunately, neither Ms. Brock and CAIA nor any of the other commenters accepted the Commission's invitation to provide comment upon the factors or procedures to be applied at a hearing. They simply demanded outcomes. AMI suggests that at least the following factors are relevant to determining "just and reasonable terms," all as established to the Commission by credible evidence:

1. Whether lease, operating agreement or other integration terms (a) have been developed over time and used broadly in the oil and gas industry, (b) are applicable to the proposed unit area and the applicant's proposed

operations, and (c) have been either approved or disapproved by other governing bodies or courts;

2. Whether various surface conditions in the proposed unit area require the imposition of specific terms or conditions in order to prevent harm or unreasonable impact to surface owners;
3. Whether existing regulatory, zoning or contract property restrictions in the proposed unit area require the imposition of specific terms and conditions in order to prevent harm or unreasonable impact to surface owners;
4. Whether the character and extent of the applicant's actual or planned surface and subsurface operations in the proposed unit area require the imposition of specific terms and conditions in order to prevent harm or unreasonable impact to identified property, health, or other interests of owners in the proposed unit area;
5. Whether a requested term or condition would actually address a potential harm or unreasonable impact to owners in the proposed unit area established to the Commission by credible evidence;
6. Whether a requested term or condition is narrowly tailored to address a particular asserted harm or unreasonable impact to mineral owners, or whether it would unreasonably impact the applicant's actual or planned operations, including by (a) unreasonably increasing the expense to the operator in comparison to the asserted potential harm or unreasonable impact to owners, or (b) effectively or operationally prohibiting the

applicant's actual or planned operations by impeding or prohibiting a necessary element of the operator's activities;

7. The interest of voluntary lessors in the proposed unit area in developing their respective minerals; and
8. The likelihood of an asserted harm or unreasonable impact, based on whether evidence submitted regarding the asserted harm or unreasonable impact relates to (a) the specific proposed unit area's surface and subsurface conditions, (b) the specific actual or planned operations of the applicant, (c) surface or subsurface areas outside the proposed unit area but similar to it, (d) operations outside the proposed unit area but similar to it, (d) surface or subsurface areas outside the proposed unit area but dissimilar to it, and (e) operations outside the proposed unit area but dissimilar to those occurring or planned in the proposed unit area.

This list is not exhaustive, and considerations apparent from an application could lead the Commission to consider other factors. AMI suggests that upon submittal of an application, Department staff could review the application with an eye toward determining whether factors in addition to those suggested above would be relevant, and those additional factors could be identified to the parties to the application proceeding in advance of a hearing on the application.

Lastly, AMI wishes to respond to the Motion to Enlarge Notice and Continue Hearing filed by counsel for the objecting uncommitted owners and CAIA. Those parties (even though at least some of them submitted written comments in response to the Commission's Notice) suggest that the April 23, 2019 hearing should be continued indefinitely

in order for the Department to seek out new owners within the proposed unit area, and provides *them* with notice and an opportunity to comment on the issues of factors to be considered in determining just and reasonable terms, *before* conducting a hearing on the application as required by the District Court. The objecting parties speculate that some landowners “may have wished to object” to the application before the previous hearing but failed to do so because of the lack of advance explanation of the factors to be applied to determine just and reasonable terms. They further speculate that such landowners “may have felt that objecting to the application was futile.”

No evidence exists of any of these conclusions. The objecting parties’ argument is entirely speculative. Moreover, CAIA is participating in this matter specifically because it has represented that it is composed of “hundreds of members across southern Idaho, including members whose property was subject to” AMI’s application for an integration order, and that it acts “in its associate and representative capacity, on behalf of its members affected by the proceedings[.]” *February 1, 2019 Memorandum Decision and Order*, at 10. CAIA has already submitted comments on behalf of its members, and presumably in the interest of all mineral interest owners in the proposed unit area. Finally, the objecting parties’ argument is essentially that due process requires new owners in the proposed unit area be allowed to participate in a hearing to *formulate steps* to ensure due process in the hearing of the application. Nothing in the Memorandum Decisions and Order requires this. In fact, nothing required the Commission to schedule the April 23, 2019 hearing and take comment. The April 23 hearing is not decisional; it is simply an opportunity for the Commission to take comment from interested parties. The logical extension of the objecting parties’ position is that no person participating in a proceeding governed by rules could be afforded due process if they were not first notified

of and allowed to participate in the proceeding during which the rules themselves were created.

Due process obviously does not require this.

Dated this 16th day of April, 2019.



Michael Christian (ISB #4311)
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IDAHO OIL & GAS
CONSERVATION COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of April, 2019, I caused to be served a true and correct copy of the foregoing **REPLY OF APPLICANT AM IDAHO, LLC, PURSUANT TO MARCH 27, 2019 NOTICE OF HEARING TO VACATE ORDER** in the above-referenced matter by the method indicated below, and addressed to the following:

Mick Thomas, Division Administrator
Kourtney Romine
Idaho Department of Lands
PO Box 83720
Boise, ID 83720-0050

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kromine@idl.idaho.gov

James Thum
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IDAHO OIL & GAS
CONSERVATION COMMISSION



Idaho Statutes

TITLE 47
MINES AND MINING
CHAPTER 3

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

47-320. INTEGRATION OF TRACTS – ORDERS OF DEPARTMENT. (1) When two (2) or more separately owned tracts are embraced within a spacing unit, or when there are separately owned interests in all or a part of a spacing unit, the interested persons may integrate their tracts or interests for the development and operation of the spacing unit. In the absence of voluntary integration, the department, upon the application of any owner in that proposed spacing unit, shall order integration of all tracts or interests in the spacing unit for drilling of a well or wells, development and operation thereof and for the sharing of production therefrom. The department, as a part of the order establishing a spacing unit or units, may prescribe the terms and conditions upon which the royalty interests in the unit or units shall, in the absence of voluntary agreement, be deemed to be integrated without the necessity of a subsequent separate order integrating the royalty interests. Each such integration order shall be upon terms and conditions that are just and reasonable.

(2) All operations, including, but not limited to, the commencement, drilling, or operation of a well upon any portion of a spacing unit for which an integration order has been entered, shall be deemed for all purposes the conduct of such operations upon each separately owned tract in the spacing unit by the several owners thereof. That portion of the production allocated to a separately owned tract included in a spacing unit shall, when produced, be deemed, for all purposes, to have been actually produced from such tract by a well drilled thereon.

(3) Each such integration order shall authorize the drilling, equipping and operation, or operation, of a well on the spacing unit; shall designate an operator for the integrated unit; shall prescribe the time and manner in which all the owners in the spacing unit may elect to participate therein; and shall make provision for the payment by all those who elect to participate therein of the reasonable actual cost thereof, plus a reasonable charge for supervision and interest. Each such integration order shall provide for the four (4) following options:

(a) Working interest owner. An owner who elects to participate as a working interest owner shall pay the proportionate share of the actual costs of drilling and operating a well allocated to the owner's interest in the spacing unit. Working interest owners who share in the

costs of drilling and operating the well are entitled to their respective shares of the production of the well. The operator of the integrated spacing unit and working interest owners shall enter into a joint operating agreement approved by the department in the integration order.

(b) Nonconsenting working interest owner. An owner who refuses to share in the risk and actual costs of drilling and operating the well, but desires to participate as a working interest owner, is a nonconsenting working interest owner. The operator of the integrated spacing unit shall be entitled to recover a risk penalty of up to three hundred percent (300%) of the nonconsenting working interest owner's share of the cost of drilling and operating the well under the terms set forth in the integration order. After all the costs have been recovered by the consenting owners in the spacing unit, the nonconsenting owner is entitled to his respective shares of the production of the well, and shall be liable for his pro rata share of costs as if the nonconsenting owner had originally agreed to pay the costs of drilling and operating the well. The operator of the integrated spacing unit and nonconsenting working interest owners shall enter into a joint operating agreement approved by the department in the integration order.

(c) Leased. An owner may enter into a lease with the operator of the integrated spacing unit under the terms and conditions in the integration order. The owner shall receive no less than one-eighth (1/8) royalty. The operator of an integrated spacing unit shall pay a leasing owner the highest bonus payment per acre that the operator paid to another owner in the spacing unit prior to the filing of the integration application.

(d) Deemed leased. If an owner fails to make an election within the election period set forth in the integration order, such owner's interest will be deemed leased under the terms and conditions in the integration order. The owner shall receive one-eighth (1/8) royalty. The operator of an integrated spacing unit shall pay a leasing owner the highest bonus payment per acre that the operator paid to another owner in the spacing unit prior to the filing of the integration application.

(4) An application for an order integrating the tracts or interests in a spacing unit shall substantially contain and be limited to only the following:

- (a) The applicant's name and address;
- (b) A description of the spacing unit to be integrated;
- (c) A geologic statement concerning the likely presence of hydrocarbons;
- (d) A statement that the proposed drill site is leased;
- (e) A statement of the proposed operations for the spacing unit, including the name and address of the proposed operator;

(f) A proposed joint operating agreement and a proposed lease form;

(g) A list of all uncommitted owners in the spacing unit to be integrated under the application, including names and addresses;

(h) An affidavit indicating that at least sixty-seven percent (67%) of the mineral interest acres in the spacing unit support the integration application by leasing or participating as a working interest owner;

(i) An affidavit stating the highest bonus payment paid to a leased owner in the spacing unit being integrated prior to filing the integration application; and

(j) A resume of efforts documenting the applicant's good faith efforts on at least two (2) separate occasions within a period of time no less than sixty (60) days to inform uncommitted owners of the applicant's intention to develop the mineral resources in the proposed spacing unit and desire to reach an agreement with uncommitted owners in the proposed spacing unit. Provided however, if any owner requests no further contact from the applicant, the applicant will be relieved of further obligation to attempt contact to reach agreement with that owner. At least one (1) contact must be by certified U.S. mail sent to an owner's last known address. If an owner is unknown or cannot be found, the applicant must publish a legal notice of its intention to develop and request that the owner contact the applicant in a newspaper of general circulation in the county where the proposed spacing unit is located. The resume of efforts should indicate the applicant has made reasonable efforts to reach an agreement with all uncommitted owners in the proposed spacing unit. Reasonable efforts are met by complying with this subsection.

(5) At the time the integration application is filed with the department, the applicant shall certify that, for uncommitted owners who are unknown or cannot be found, a notice of the application was published in a newspaper in the county where the proposed spacing unit is located. Each published notice shall include notice to the affected uncommitted owner of the opportunity to respond to the application, and the deadline by which a response must be filed with the department.

(6) An operator who has not been able to obtain consent from sixty-seven percent (67%) of the mineral interest acres in the spacing unit may nevertheless apply for an integration order under this section if all of the conditions set forth in this subsection have been met. The department shall issue an integration order, which shall affect only the unit area described in the application, if it finds that the operator has met all of the following conditions:

(a) The operator has obtained consent from at least fifty-five percent (55%) of mineral interest acres;

(b) The operator has negotiated diligently and in good faith for a period of at least one hundred twenty (120) days prior to his application for an integration order; and
(c) The uncommitted owners in the affected unit shall receive from the operator mineral lease terms and conditions that are no less favorable to the lessee than those set forth in section 47-331(2), Idaho Code.

(7) An application for integration shall be subject to the procedures set forth in section 47-328, Idaho Code.

History:

[(47-320) 47-322, added 1963, ch. 148, sec. 8, p. 433; am. 2016, ch. 48, sec. 5, p. 135; am. 2017, ch. 121, sec. 2, p. 281; am. and redesisg. 2017, ch. 271, sec. 13, p. 690.]

How current is this law?

Search the Idaho Statutes and Constitution



IDAHO OIL & GAS
CONSERVATION COMMISSION

IDAHO OIL AND GAS CONSERVATION COMMISSION

April 23, 2019
Regular Agenda

SUBJECT

Procedures used to comply with the U.S. District Court for the District of Idaho's Order in *Citizens Allied for Integrity and Accountability v. Schultz*, Case No. 1:17-cv-00264-BLW.

BACKGROUND

The United States District Court for the District of Idaho issued an order requiring the Idaho Oil and Gas Conservation Commission (Commission) to vacate the Commission's spacing and integration orders in Docket No. CC-2016-OGR-01-004 and:

Hold a new hearing that complies with due process by explaining the factors that will be considered when determining whether the terms and conditions of an integration order are "just and reasonable."

Memorandum Decision and Order 22-23 (Case No. 1:17-cv-00264-BLW, Aug. 13, 2018). The Memorandum Decision also included the following footnote: "[t]he Court encourages the Commission to revise its regulations by listing the factors to be considered when determining whether the terms of [an] integration order are just and reasonable, in order to ensure consistency of the standards used in decision making and make those standards clear to the public." *Id.* at 20 n.15.

To initiate compliance with the court's order, on March 27, 2019, the Commission issued a Notice of Hearing to Vacate Order in Docket No. CC-2016-OGR-01-004. The Commission received 51 responses to its request for motions and comments on the procedures and steps it should take to determine the factors to be considered when determining compliance with the statutory requirement that "[e]ach such integration order shall be upon terms and conditions that are just and reasonable." Idaho Code § 47-320(1).

DISCUSSION

To comply with the court's order, it is necessary to establish what factors will be considered when determining whether the terms and conditions of an integration order are "just and reasonable."

As a member state of the Interstate Oil and Gas Compact Commission, the Idaho Department of Lands (Department) asked that member states be surveyed regarding how they described the term "Just and Reasonable" Of the 32 member states, 19 responded with how they addressed the term. None of those respondents indicated the term was defined in rule or statute, rather the term is described within the hearing process and/or at the discretion of the Commission of the respective state.

There are two ways the Commission can create legally enforceable factors to apply to integration proceedings: (1) adopting a rule; or (2) issuing an order.

Note: The Commission may issue an order to comply with the judge’s ruling, while also considering rulemaking and/or potential statutory changes.

Option 1: Rule

Under this option, the Commission would adopt a rule that interprets Idaho Code § 47-320(1) and establishes what factors the Commission will use to determine compliance with the statutory requirement that integration terms be “just and reasonable.” A rule is “the whole or part of an agency statement of general applicability . . . that implements, interprets, or prescribes (a) law or policy; or (b) the procedure or practice requirements of an agency.” I.C. § 67-5201.

In order to establish a rule, the Commission must use the procedures found in the Idaho Administrative Procedures Act (APA), Idaho Code title 67, chapter 52. The Commission can use negotiated rulemaking to engage people who may be affected by the rulemaking, want to give their input, and want to participate in formulating a rule. I.C. § 67-5220. After negotiated rulemaking, the agency will publish a proposed rule for additional comment, ultimately resulting in a pending rule that goes to the legislature for review. See I.C. §§ 67-5221(1) and 67-5224.

Additionally, the Commission may be able to use temporary rulemaking, which allows a rule to become effective and enforceable immediately. Temporary rulemaking is possible when the governor decides it is justified in order to:

- (1) Protect the public health, safety, or welfare;
- (2) Comply with deadlines in amendments to governing law; or
- (3) To confer a benefit. I.C. § 67-5226(1).

A temporary rule is only enforceable until the end of the next legislative session, unless the Legislature approves extension of the temporary rule by concurrent resolution. I.C. § 67-5226(2).

Option 2: Administrator Order

A second option is for the Oil and Gas Division Administrator (Administrator) to issue an interlocutory order that determines what factors the Administrator would consider when determining whether the terms of integration order are just and reasonable. To issue such an order, the Administrator would need to allow the parties opportunity for hearing on the issue, which may be possible to accomplish through legal briefing and oral argument. This process would be similar to that used in other oil and gas producing states.

The Commission is the appellate body for all applications, so it could review the Administrator’s decision if someone were to appeal to the Commission. If there was no appeal, the Administrator would continue to follow the process in Idaho Code § 47-328 and ultimately hold an evidentiary hearing on the spacing and integration application.

If the Commission utilizes this option, the Administrator’s interlocutory order establishing the factors to consider in determining whether integration terms are just and reasonable would not apply to any other spacing units in the state or subsequent proceedings. In other words, the

order would apply only to the unit at issue in Docket No. CC-2016-OGR-01-004, and similar hearings would have to be held in all future integration proceedings to determine the factors to be considered when determining whether the terms of integration order are just and reasonable.

Petitions for Rulemaking

The Commission is considering the procedures and steps the Commission should take to determine the factors to be considered in determining whether the terms of an integration order are “just and reasonable.”

In response to the Notice of Hearing to Vacate Order, the Commission received ~51 comments, with some of them advising “formal, public rulemaking” to determine the factors used to determine just and reasonable. These comments essentially petition the Commission to initiate rulemaking. See I.C. § 67-5230(1); IDAPA 04.11.01.820. “Any person” may petition for rulemaking. *Id.*

When the agency receives a petition, it shall either:

- (1) Deny the petition in writing, stating its reasons for the denial; or
- (2) Initiate rulemaking proceedings.

Id. Thus, the Commission is required to address the petitions for rulemaking by either (1) issuing written denials to each petitioner, with well-reasoned explanations for each denial, or (2) initiating rulemaking by publishing a “Notice of Intent to Promulgate a Rule” in the Administrative Bulletin.

Some of the rulemaking petitions received also include substantive requests for certain factors to be considered when determining whether integration terms are “just and reasonable,” Many of these request are beyond the authority of the Commission cited in Idaho Code § 47-315. It is not necessary to address those comments at this time. Substantive issues will be addressed either in the rulemaking or in the hearing before the Administrator to determine the factors to be considered when determining whether the terms of integration order are just and reasonable.

COMMISSION ACTION

IDAHO OIL AND GAS CONSERVATION COMMISSION

April 23, 2019
Regular Agenda

SUBJECT

Docket No. CC-2019-OGR-01-001 - Joint Motion to Accept Settlement Agreement and Consent Order

BACKGROUND

The Idaho Oil and Gas Conservation Commission (Commission) has jurisdiction and authority over all persons and property necessary to enforce the Oil and Gas Conservation Act (Act). Idaho Code § 47-314(8); Idaho Code § 47-315(1). The Commission has authority to make and enforce rules, regulations, and orders, and do whatever may reasonably be necessary to carry out the provisions of the Act. Idaho Code § 47-314(8); Idaho Code § 47-315(1), (8). Among the authorities that the Commission may exercise is the power to assess civil penalties against persons that violate the Act or the rules and orders promulgated under the Act. Idaho Code § 47-329(3).

DISCUSSION

On February 5, 2019, the Idaho Department of Lands' Oil and Gas Division (Department) filed an Administrative Complaint and Notice of Violation against Alta Mesa (Attachment 1) relating to the ML Investments #1-11 well. The Department provided Alta Mesa with the opportunity for a compliance conference and settlement meeting to discuss the Complaint's two alleged violations.

Alta Mesa and the Department reached a Settlement Agreement and Consent Order (Attachment 2), which includes the following terms:

- As to the Complaint's Violation One, Alta Mesa admits it violated Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, and IDAPA 20.07.02.210.01 when Alta Mesa performed a well treatment before obtaining Department approval.
- As to the Complaint's Violation Two, Alta Mesa admits it violated IDAPA 20.07.02.210.06 by failing to timely submit a complete report on the well treatment.
- Alta Mesa agrees to apply for the well treatment it performed as required by law, which includes:
 - o Paying the Department the \$1,000 application fee
 - o Submitting to the Department the information required in IDAPA 20.07.02.210
- Alta Mesa agrees to submit all of the information required for a well treatment report within thirty (30) days of filing a complete well treatment application. See IDAPA 20.07.02.210.06.
- Alta Mesa shall pay the Department civil penalties of \$5,000 for Violation One and \$3,000 for Violation Two.

The Department and Alta Mesa have filed a Joint Motion to Accept Settlement Agreement and Consent Order (Attachment 3) asking the Commission to accept the Settlement Agreement. If the Commission does not accept this Settlement Agreement and Consent Order, the agreement becomes null and void.

RECOMMENDATION

The Department recommends the Commission issue an order that (1) accepts the Settlement Agreement and Consent Order and (2) accepts civil penalties against Alta Mesa in the amount of \$8,000 (\$5,000 for Violation One, \$3,000 for Violation Two).

COMMISSION ACTION

ATTACHMENTS

1. February 5, 2019 – Administrative Complaint and Notice of Violation
2. April 4, 2019 – Settlement Agreement and Consent Order
3. April 9, 2019 – Joint Motion to Accept Settlement Agreement and Consent Order



IDAHO OIL & GAS
CONSERVATION COMMISSION

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DEPT. OF LANDS
2019 FEB -5 PM 2: 54
BOISE, IDAHO

Attorneys for Complainants

BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION

In the Matter of:)	Docket No. CC-2019-OGR-01-001
)	
AM IDAHO, LLC. & ALTA MESA SERVICES,)	ADMINISTRATIVE COMPLAINT &
LP)	NOTICE OF VIOLATION
)	
Respondent.)	

This administrative complaint against AM Idaho, LLC and Alta Mesa Services, LP (collectively "Respondent" or "Alta Mesa") is filed on behalf of the Idaho Department of Lands' Oil and Gas Division ("IDL") with the Idaho Oil and Gas Conservation Commission ("Commission") pursuant to Idaho Code §§ 47-329 and 47-328(1) and (2). This complaint also serves as a notice of violation issued to Alta Mesa pursuant to Idaho Code § 47-329. As described below, IDL has identified certain alleged violations by Alta Mesa of Title 47, Chapter

3, Idaho Code, commonly known as the Oil and Gas Conservation Act, and the Rules Governing Conservation of Oil and Natural Gas in the State of Idaho, IDAPA 20.07.02.

JURISDICTION AND AUTHORITY

1. The Commission has jurisdiction and authority over all persons and property necessary to enforce the Oil and Gas Conservation Act (“Act”). Idaho Code § 47-314(8); Idaho Code § 47-315(1).
2. The Commission has authority to make and enforce rules, regulations, and orders, and do whatever may reasonably be necessary to carry out the provisions of the Act. Idaho Code § 47-314(8); Idaho Code § 47-315(1), (8).
3. Complainant IDL has “the power to exercise, under the general control and supervision of the commission, all of the rights, powers and duties vested by law in the commission, except those provided in sections 47-328 and 47-329(3).” Idaho Code § 47-314(7).

APPLICABLE LAWS AND REGULATIONS

4. Idaho Code § 47-316 provides:
 - (1) It shall be unlawful to commence operations for the drilling or treating of a well for oil and gas without first giving notice to the commission of intention to drill or treat and without first obtaining a permit from the commission under such rules and regulations as may be reasonably prescribed by the commission and by paying to the commission a filing and service fee as provided by this section.
 - (a) Any request for a permit or authorization as set forth in subsection (3)(a), (b), (c), (d), (e), (f), (g), (m), (n) or (o) of this section shall be made by application to the department of lands, and processed as provided in this section.
...
 - (3) The department shall collect the following fees . . .
...
 - (d) Application to treat a well, if separate from an application for a permit to drill a well.....1,000

5. IDAPA 20.07.02.30.01 provides:

Written Authorization Required. Any written notice of intention to do work or to change plans previously approved must be filed with the Department, unless otherwise directed, and must be approved before the work is begun. Such approval may be given orally and, if so given, shall thereafter be confirmed by the Department in writing. Written notices may be submitted to the Department by e-mail or facsimile.

6. A well treatment is defined as “Actions performed on a well to acidize, fracture, or stimulate the target reservoir.” IDAPA 20.07.02.010.60.

7. IDAPA 20.07.02.210.01 provides in relevant part:

Application Required. . . . Approval by the Department is required prior to the well treatments being implemented. Actions to clean the casing or perforations not in excess of pressures sufficient to overcome the fracture gradient in the surrounding formation are not considered to be well treatments, but operators must notify the Department when such actions occur.

8. IDAPA 20.07.02.210.01 requires an operator to submit certain listed information in any application for well treatment.

9. IDAPA 20.07.02.210.06 details reporting requirements for well treatments. A well treatment report must be submitted within thirty (30) days of the treatment and must include the information listed in IDAPA 20.07.02.210.06(a)-(h).

10. Idaho Code § 47-329(3) provides:

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.

FACTS

11. IDL granted Alta Mesa an amended permit to drill a gas well named the ML Investments #1-11 on September 22, 2014. The ML Investments #1-11 well is located in a 640 acre spacing unit composed of Section 11, Township 8N, Range 4W, Boise Meridian, Payette County, Idaho, located in the Willow Field.
12. Alta Mesa is the current operator of the ML Investments #1-11.
13. Alta Mesa completed the ML Investments #1-11 well on October 17, 2014. A well completion report named the Lower Target, or “LT,” producing interval as 4278-84’ Measured Depth (MD). A well completion report named the Upper Target, or “UT,” producing interval as 4175-85’ MD.
14. On July 9, 2018, Alta Mesa submitted by e-mail a sundry notice for an acid treatment on the ML Investments #1-11 well. Alta Mesa’s sundry notice checked the “acidize” box for the “type of action.” In its description of the operation, Alta Mesa stated:

Attempt to pump entire treatment at 0.25 – 0.5 BPM rate

500 gal Xylene (11.9 bbls)

1000 gal (23.8 bbls) 15% HCL w/ 1.0% corr inhibitor and 2.0% iron control 0.5% clay-stay w/ 0.5% surfactant

Displace acid with 28 bbls 2% KCL water
18 bbls to displace acid to formation
10 bbls over displacement

We plan to begin this afternoon, July 9, 2018.

Alta Mesa's employee stated in the e-mail accompanying the sundry that "[w]e would like to begin this afternoon if you can get this approved for me."

15. IDL responded to Alta Mesa by e-mail within two hours. IDL cited IDAPA 20.07.02.210 and informed Alta Mesa that all well treatments require an application, fee, and review. IDL did not approve Alta Mesa's sundry notice.
16. After IDL's e-mail, Alta Mesa requested a phone call. Alta Mesa informed IDL that Alta Mesa would resubmit the sundry. Alta Mesa did not inform IDL that operations would proceed.
17. On July 10, 2018, Alta Mesa submitted by e-mail a revised sundry notice. The revised sundry added the following language:

Objective: Suspect near well bore damage. Pump acid treatment to help dissolve possible skin damage near well bore and increase well deliverability.

IDL e-mailed Alta Mesa and requested additional information, including a copy of the contractor's proposed work program, to evaluate whether the proposed operation was a well treatment that would require a permit under IDAPA 20.07.02.210.

18. On July 13, 2018, Alta Mesa's attorney informed IDL by phone that Alta Mesa had already proceeded with the well treatment. That same day, IDL sent an e-mail to Alta Mesa informing Alta Mesa that IDL had learned that Alta Mesa had proceeded with the proposed well treatment for the ML Investments #1-11 well without IDL's authorization. IDL also informed Alta Mesa that IDL had not received the information requested in IDL's July 10, 2018 e-mail; IDL then requested the same information for a second time. IDL also requested

a copy of the final report from the contractor detailing the operations performed during the entire operation. IDL gave Alta Mesa a deadline of Friday July 20, 2018 to submit these documents.

19. On July 18, 2018, IDL received an e-mail with several of the requested documents attached, including daily operations reports from July 10, 2018 to July 14, 2018 describing the well treatment that was conducted.

20. On July 20, 2018, IDL reiterated to Alta Mesa its request for additional information regarding “the method and timeline for the management, storage and disposal of well treatment fluids, including the disposal site and plans for reuse, if any” and informed Alta Mesa that the documents Alta Mesa had already provided did not appear to contain the requested information. IDL gave Alta Mesa a July 27, 2018 deadline to provide the information. Alta Mesa responded on July 20, 2018 with an e-mail summary of who provided the fluids, how the fluids arrived and were stored, and their disposal.

21. On August 3, 2018, IDL sent Alta Mesa a second e-mail request for “the final report from the contractor detailing the operations performed during the entire operation.” IDL also asked a follow up question about how the range of frac gradients for the area was calculated. IDL gave Alta Mesa an August 10, 2018 deadline to submit that information to IDL.

22. Alta Mesa responded with an August 7, 2018 e-mail informing IDL that its contractor did not do a post job report and there was no recording of the job digitally or by chart recorder.

Instead, Alta Mesa monitored the analog pressure gauges and sight glasses throughout the job and recorded those numbers. Alta Mesa also provided its formula for calculating frac pressure and its employee’s July 9, 2018 summary notes of the operation. Alta Mesa additionally submitted a Safe to Perform (STP) Report form that its contractor completed

prior to starting work. The STP form indicated that it was filled out on July 9, 2018 at 7am MT.

ALLEGED VIOLATIONS

Violation One: Violation of Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, IDAPA 20.07.02.210.01

Proposed Civil Penalty Amount: \$10,000

Alta Mesa violated Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, and IDAPA 20.07.02.210.01, by performing a well treatment before applying for or obtaining IDL approval. Alta Mesa performed a well treatment because the operation in question was an action to acidize the target reservoir. While IDAPA 20.07.02.210.01 provides that well treatments are not “[a]ctions to clean the casing or perforations not in excess of pressures sufficient to overcome the fracture gradient in the surrounding formations,” in this case the operation was to acidize the target reservoir and to clean the formation, not an action to clean the casing or perforations.

Alta Mesa’s own sundry notice stated that Alta Mesa’s objective was to “[p]ump acid treatment to help dissolve possible skin damage near well bore and increase well deliverability.” Therefore, Alta Mesa performed a well treatment that required an application to IDL and approval from IDL.

Alta Mesa did not get IDL approval before performing the work. Alta Mesa’s records indicate that work on the job to acidize the ML Investments #1-11 well began on July 9, 2018. On July 9, 2018, IDL cautioned Alta Mesa to review IDAPA 20.07.02.210 regarding well treatments and informed Alta Mesa that an application was needed to perform a well treatment. Alta Mesa submitted a revised sundry notice on July 10, 2018, but did not tell IDL in the sundry notice or in its correspondence that it had already performed or was currently

performing the work at issue. On July 13, 2018, Alta Mesa's attorney informed IDL that the well treatment work had already taken place. Alta Mesa was required to apply for a well treatment and obtain IDL approval before Alta Mesa performed its well treatment work. Alta Mesa failed to do so. Thus, IDL alleges Alta Mesa violated Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, and IDAPA 20.07.02.210.01.

Violation Two: Violation of IDAPA 20.07.02.210.06

Proposed Civil Penalty Amount: \$10,000

Alta Mesa violated IDAPA 20.07.02.210.06 by failing to submit a report on well treatment with the required items. A report on well treatment must be submitted within thirty (30) days of the treatment and must include the items listed in IDAPA 20.07.02.210.06(a)-(h). Thirty days have passed since the work was performed. Alta Mesa has not as of this date filed a report on well treatment that contains the following items: IDAPA 20.07.02.210.06(a) (the daily production of oil, gas, and water both prior to and after the operation); and IDAPA 20.07.02.210.06(d) (documentation demonstrating the chemicals used were reported to a www.fracfocus.org or another publicly accessible database approved by the Department).

Thus, IDL alleges Alta Mesa violated IDAPA 20.07.02.210.06.

Total Proposed Civil Penalty: \$20,000

REQUEST FOR RELIEF

As a result of the violations alleged above, IDL requests the following relief:

- A. Order Alta Mesa to file an application, seek IDL approval, and submit all items in the required report on well treatment for the operations that have already occurred. The application shall include the fee required in Idaho Code § 47-316(3), follow the

process in Idaho Code § 47-316(1), and the application and reporting shall contain all of the requirements and follow the processes required in the Idaho Rules Governing Conservation of Oil and Natural Gas in the State of Idaho, including IDAPA 20.07.02.030 and IDAPA 20.07.02.210.

- B. Award civil penalties of \$20,000 to IDL that IDL shall remit to the Oil and Gas Conservation Fund pursuant to Idaho Code § 47-329(3)(e).
- C. Award IDL reasonable attorney fees pursuant to Idaho Code § 47-329(3).

OPPORTUNITY TO RESPOND

This complaint also serves as a notice to Alta Mesa of its violations and notice of Alta Mesa's opportunity for a hearing as provided in Idaho Code § 47-329. Because the Department has filed this Notice of Violation with the Commission as an administrative complaint, Alta Mesa has the right to proceed directly to a formal administrative hearing before the Commission under the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code. Alternatively, the Idaho Rules of Administrative Procedure of the Attorney General at IDAPA 04.11.01 encourage the use of informal proceedings, also known as settlement conferences, to settle contested cases.

If Alta Mesa decides to resolve this matter without proceeding directly to an administrative hearing, Alta Mesa can request a settlement meeting at IDL's Boise office. A request for an informal settlement meeting must be made via phone or e-mail within fourteen (14) days of receipt of this Complaint and Notice of Violation. Please contact Kristina Fugate, Deputy Attorney General, to schedule an informal settlement meeting at (208) 334-2400 or kristina.fugate@ag.idaho.gov.

The following IDL Oil and Gas Division representatives may be in attendance at the settlement meeting: Administrator, Program Manager, and Deputy Attorney General. At the settlement meeting, IDL will review the facts of this case, including any information and explanation Alta Mesa may wish to provide.

If Alta Mesa decides to forego the informal settlement meeting and request a formal administrative hearing before the Idaho Oil and Gas Conservation Commission, Alta Mesa must submit that request in writing by e-mail or letter within fourteen (14) days of receipt of this Notice of Violation. Please address requests for an administrative hearing to: Mick Thomas, Secretary to the Idaho Oil and Gas Conservation Commission at 300 N. 6th St, Suite 103, Boise, ID 83720 or mthomas@idl.idaho.gov. A failure to request an informal settlement meeting or to request a formal administrative hearing will result in IDL proceeding to a formal hearing before the Commission pursuant to Idaho Code §§ 47-328 and 47-329.

DATED this 5th day of February, 2019.



KRISTINA N. FUGATE
Deputy Attorney General

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 5th day of February, 2019, a true and correct copy of the foregoing document was served on the following individual(s) by the method indicated:

AM Idaho, LLC &
Alta Mesa Services, LP
c/o Michael Christian
Marcus, Christian, Hardee &
Davies, LLP
737 North 7th Street
Boise ID 83702-5595

Certified Mail, Return Receipt
Requested
 U.S. Mail
 Overnight Delivery
 Messenger Delivery
 Email: [MChristian@mch-
lawyer.com](mailto:MChristian@mch-lawyer.com)



KRISTINA N. FUGATE
Deputy Attorney General

IDAHO OIL & GAS
CONSERVATION COMMISSION

BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION


In the Matter of:) Docket No. CC-2019-OGR-01-001
)
AM IDAHO, LLC & ALTA MESA SERVICES,) SETTLEMENT AGREEMENT AND
LP.) CONSENT ORDER
)
Respondent.)

1. The Idaho Department of Lands' Oil and Gas Division ("IDL"), and Alta Mesa Services, LP and AM Idaho, LLC (collectively "Alta Mesa"), voluntarily enter into this settlement agreement and consent order ("SACO") pursuant to the Idaho Oil and Gas Conservation Act ("the Act"), Title 47, Chapter 3, Idaho Code; the Idaho Rules Governing Conservation of Oil and Gas in Idaho, IDAPA 20.07.02; the Idaho Administrative Procedure Act, Title 67, Chapter 53, Idaho Code; and the Idaho Rules of Administrative Procedure of the Attorney General, IDAPA 04.11.01. IDL and Alta Mesa may be collectively referred to as the "Parties."
2. Alta Mesa is the current operator of the ML Investments 1-11 well in Payette County, Idaho. On July 9, 2018 Alta Mesa sent a sundry notice to IDL that stated its intention to do an acid treatment on the ML Investments 1-11 well. Alta Mesa submitted an amended sundry notice on July 10, 2018 to clarify that the treatment was "to help dissolve possible skin damage near well bore and increase well deliverability." On July 13, Alta Mesa's attorney informed IDL that Alta Mesa had already proceeded with the well treatment. IDL did not receive and did not approve any application for well treatment.
3. On February 5, 2019, IDL filed an Administrative Complaint and Notice of Violation ("Administrative Complaint") alleging two violations against Alta Mesa. The February 5, 2019 Administrative Complaint is incorporated into the SACO by reference.
4. IDL provided Alta Mesa with the opportunity for a compliance conference and settlement meeting to discuss the Administrative Complaint's alleged violations and entry into a settlement agreement. On February 28, 2019, the settlement meeting was held.
5. Alta Mesa agrees to this SACO and the following terms:
 - a. As to the Administrative Complaint's Violation One, Alta Mesa admits it violated Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, and IDAPA 20.07.02.210.01 when Alta Mesa performed a well treatment before obtaining IDL approval. Under Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, and IDAPA 20.07.02.210.01 Alta Mesa was required to obtain IDL approval before Alta Mesa performed that treatment, and Alta Mesa failed to do so.

- b. As to the Administrative Complaint's Violation Two, Alta Mesa admits it violated IDAPA 20.07.02.210.06 by failing to timely submit a complete report on well treatment.
 - c. Alta Mesa agrees to apply for the well treatment it performed as required by the Act and the Idaho Rules Governing Conservation of Oil and Gas in Idaho, IDAPA 20.07.02, which includes:
 - i. Paying IDL the \$1,000 application fee (*See* Idaho Code § 47-316(3)(d)); and
 - ii. Submitting to IDL the information required in IDAPA 20.07.02.210.
 - d. Alta Mesa agrees to submit the information required for a well treatment report within thirty (30) days of filing a complete well treatment application. This report shall include all the information required in IDAPA 20.07.02.210.06.
 - e. Alta Mesa shall pay IDL civil penalties in the following amounts:
 - i. Five thousand dollars (\$5,000) for the Administrative Complaint's Violation One.
 - ii. Three thousand dollars (\$3,000) for the Administrative Complaint's Violation Two.
 - f. Payment of civil penalties for Violation One and Violation Two shall be made no later than thirty (30) days after the Commission approves this SACO.
6. Payments shall be made payable to the Idaho Department of Lands and submitted to:
- Oil and Gas Division
Idaho Department of Lands
300 N. 6th St, Suite 103
Boise, ID 83720
- 7. IDL shall deposit these payments into the Oil and Gas Conservation Fund.
 - 8. This SACO shall not in any way relieve Alta Mesa from its obligation to comply with Title 47, Chapter 3, Idaho Code; the Idaho Rules Governing Conservation of Oil and Gas in Idaho, IDAPA 20.07.02, or other applicable local, state, or federal law.
 - 9. This SACO shall bind Alta Mesa and its successors and assigns. Any change in ownership or corporate status of Alta Mesa, including, but not limited to, any transfer of assets or real or personal property shall not alter Alta Mesa's obligation to comply with the SACO's requirements, or to ensure compliance by any of Alta Mesa's successors or assignees, regardless of whether Alta Mesa continues to exist after any such transaction.


10. The provisions of this SACO are severable. If any provision of this SACO or part thereof is declared unenforceable or invalid, it shall not affect the validity or enforceability of the remaining provisions of this SACO.
11. Alta Mesa expressly recognizes that failure to comply with the terms of this SACO may result in a district court action for collection of civil penalties and other relief available under Idaho Code § 47-329.
12. This SACO contains the entire agreement between the Parties. This SACO may not be enlarged, modified, or altered without written consent of both Parties.
13. Any Party's facsimile signature to the SACO and any e-mailed copy of a Party's signature to this SACO, if received from the party or its legal counsel, will be deemed an original and binding signature of this SACO by the Party.
14. Each Party represents and warrants that it has the authority to enter into this SACO and to take all actions provided for herein. The effective date of this SACO shall be the date the IDL Oil and Gas Administrator signs the agreement. However, the SACO does not become enforceable until the Oil and Gas Conservation Commission ("Commission") issues an order accepting the SACO. If the Commission does not accept the SACO, this SACO becomes null and void.
15. The Parties agree that this SACO will be presented to the Commission and reviewed by the Commission under IDAPA 04.11.01.612. The Parties both carry the burden of showing the Commission that the settlement is in accordance with the law. IDAPA 04.11.01.613.

Dated this 3 day of April, 2019



Scott Ricks, CEO
Alta Mesa Services, LP & AM Idaho, LLC

Dated this 4 day of April, 2019



Richard "Mick" Thomas, Oil and Gas Division Administrator
Idaho Department of Lands

LAWRENCE G. WASDEN
Attorney General
State of Idaho

DEPT. OF LANDS
2019 APR -9 PM 2: 33
BOISE, IDAHO

DARRELL G. EARLY
Deputy Attorney General
Chief, Natural Resources Division

KRISTINA N. FUGATE (ISB #9242)
Deputy Attorney General
Natural Resources Division
Office of the Attorney General
P.O. Box 83720
Boise, Idaho 83720-0010
Telephone: 208-334-2400
Fax: 208-854-8072
E-mail: kristina.fugate@ag.idaho.gov

Attorneys for Complainants

BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION

In the Matter of:)	Docket No. CC-2019-OGR-01-001
AM IDAHO, LLC & ALTA MESA SERVICES,)	
LP.)	JOINT MOTION TO ACCEPT
Respondent.)	SETTLEMENT AGREEMENT AND
)	CONSENT ORDER
)	

The Idaho Department of Lands' Oil and Gas Division ("IDL") filed an administrative complaint and notice of violation ("February 5, 2019 Complaint") against AM Idaho, LLC and Alta Mesa Services, LP (collectively "Alta Mesa") with the Idaho Oil and Gas Conservation Commission ("Commission") pursuant to Idaho Code §§ 47-329 and 47-328(1) and (2). In its February 5, 2019 Complaint, IDL identified certain alleged violations by Alta Mesa of Title 47, Chapter 3, Idaho Code, commonly known as the Oil and Gas Conservation Act, and the Rules Governing Conservation of Oil and Natural Gas in the State of Idaho, IDAPA 20.07.02.

JURISDICTION

The Commission has jurisdiction and authority over all persons and property necessary to enforce the Oil and Gas Conservation Act (“Act”). Idaho Code § 47-314(8); Idaho Code § 47-315(1). The Commission has authority to make and enforce rules, regulations, and orders, and do whatever may reasonably be necessary to carry out the provisions of the Act. Idaho Code § 47-314(8); Idaho Code § 47-315(1), (8). Among the authorities that the Commission may exercise is the power to assess civil penalties against persons that violate the Act or the rules and orders promulgated under the Act. Idaho Code § 47-329(3).

JOINT MOTION TO APPROVE SETTLEMENT

Pursuant to IDAPA 04.11.01.557, .612, and .613, the parties request the Commission issue an order that (1) accepts the attached Settlement Agreement and Consent Order (“SACO”) and (2) accepts civil penalties against Alta Mesa in the amount of \$8,000 (\$5,000 for Violation One, \$3,000 for Violation Two). Pursuant to IDAPA 04.11.01.613, the parties will present this joint motion and the SACO to the Commission at its April 23, 2019 meeting. The SACO reached is attached to this motion as Exhibit A and is part of the record, but “facts disclosed, offers made, and all other aspects of negotiation . . . in a contested case are not part of the record.” IDAPA 04.11.01.610. The parties have also attached a proposed order as Exhibit B.

Upon issuance of a Commission order accepting the SACO and the agreed-upon civil penalties, IDL’s Complaint will be deemed withdrawn with prejudice. Aside from the agreed-upon civil penalties, each party will bear its own costs, expenses, and attorney’s fees.

Dated this 9th day of April, 2019.

LAWRENCE G. WASDEN
Attorney General
DARRELL G. EARLY
Deputy Attorney General
Chief, Natural Resources Division



KRISTINA N. FUGATE
Deputy Attorney General

Attorneys for the Idaho Department of Lands

Dated this 9th day of April, 2019.



MICHAEL CHRISTIAN
Marcus. Christian. Hardee & Davies, LPP

Attorneys for AM Idaho, LLC & Alta Mesa Services, LP

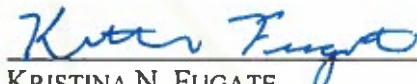
IDAHO OIL & GAS
CONSERVATION COMMISSION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9th day of April 2019, a true and correct copy of the Joint Motion to Accept Settlement Agreement and Consent Order, Exhibit A, and Exhibit B were served on the following individual(s) by the method indicated:

Alta Mesa Services, LP &
AM Idaho, LLC
c/o Michael Christian
Marcus, Christian, Hardee &
Davies, LLP
737 North 7th Street
Boise ID 83702-5595

U.S. Mail
 Overnight Delivery
 Messenger Delivery
 Email: MChristian@mch-lawyer.com



KRISTINA N. FUGATE
Deputy Attorney General

IDAHO OIL & GAS
CONSERVATION COMMISSION

EXHIBIT A

SETTLEMENT AGREEMENT AND CONSENT ORDER



IDAHO OIL & GAS
CONSERVATION COMMISSION

BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION

In the Matter of:)
AM IDAHO, LLC & ALTA MESA SERVICES,)
LP.)
Respondent.)

Docket No. CC-2019-OGR-01-001
SETTLEMENT AGREEMENT AND
CONSENT ORDER

1. The Idaho Department of Lands' Oil and Gas Division ("IDL"), and Alta Mesa Services, LP and AM Idaho, LLC (collectively "Alta Mesa"), voluntarily enter into this settlement agreement and consent order ("SACO") pursuant to the Idaho Oil and Gas Conservation Act ("the Act"), Title 47, Chapter 3, Idaho Code; the Idaho Rules Governing Conservation of Oil and Gas in Idaho, IDAPA 20.07.02; the Idaho Administrative Procedure Act, Title 67, Chapter 53, Idaho Code; and the Idaho Rules of Administrative Procedure of the Attorney General, IDAPA 04.11.01. IDL and Alta Mesa may be collectively referred to as the "Parties."
2. Alta Mesa is the current operator of the ML Investments 1-11 well in Payette County, Idaho. On July 9, 2018 Alta Mesa sent a sundry notice to IDL that stated its intention to do an acid treatment on the ML Investments 1-11 well. Alta Mesa submitted an amended sundry notice on July 10, 2018 to clarify that the treatment was "to help dissolve possible skin damage near well bore and increase well deliverability." On July 13, Alta Mesa's attorney informed IDL that Alta Mesa had already proceeded with the well treatment. IDL did not receive and did not approve any application for well treatment.
3. On February 5, 2019, IDL filed an Administrative Complaint and Notice of Violation ("Administrative Complaint") alleging two violations against Alta Mesa. The February 5, 2019 Administrative Complaint is incorporated into the SACO by reference.
4. IDL provided Alta Mesa with the opportunity for a compliance conference and settlement meeting to discuss the Administrative Complaint's alleged violations and entry into a settlement agreement. On February 28, 2019, the settlement meeting was held.
5. Alta Mesa agrees to this SACO and the following terms:
 - a. As to the Administrative Complaint's Violation One, Alta Mesa admits it violated Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, and IDAPA 20.07.02.210.01 when Alta Mesa performed a well treatment before obtaining IDL approval. Under Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030, and IDAPA 20.07.02.210.01 Alta Mesa was required to obtain IDL approval before Alta Mesa performed that treatment, and Alta Mesa failed to do so.

- b. As to the Administrative Complaint's Violation Two, Alta Mesa admits it violated IDAPA 20.07.02.210.06 by failing to timely submit a complete report on well treatment.
 - c. Alta Mesa agrees to apply for the well treatment it performed as required by the Act and the Idaho Rules Governing Conservation of Oil and Gas in Idaho, IDAPA 20.07.02, which includes:
 - i. Paying IDL the \$1,000 application fee (*See Idaho Code § 47-316(3)(d)*); and
 - ii. Submitting to IDL the information required in IDAPA 20.07.02.210.
 - d. Alta Mesa agrees to submit the information required for a well treatment report within thirty (30) days of filing a complete well treatment application. This report shall include all the information required in IDAPA 20.07.02.210.06.
 - e. Alta Mesa shall pay IDL civil penalties in the following amounts:
 - i. Five thousand dollars (\$5,000) for the Administrative Complaint's Violation One.
 - ii. Three thousand dollars (\$3,000) for the Administrative Complaint's Violation Two.
 - f. Payment of civil penalties for Violation One and Violation Two shall be made no later than thirty (30) days after the Commission approves this SACO.
6. Payments shall be made payable to the Idaho Department of Lands and submitted to:
- Oil and Gas Division
Idaho Department of Lands
300 N. 6th St, Suite 103
Boise, ID 83720
7. IDL shall deposit these payments into the Oil and Gas Conservation Fund.
 8. This SACO shall not in any way relieve Alta Mesa from its obligation to comply with Title 47, Chapter 3, Idaho Code; the Idaho Rules Governing Conservation of Oil and Gas in Idaho, IDAPA 20.07.02, or other applicable local, state, or federal law.
 9. This SACO shall bind Alta Mesa and its successors and assigns. Any change in ownership or corporate status of Alta Mesa, including, but not limited to, any transfer of assets or real or personal property shall not alter Alta Mesa's obligation to comply with the SACO's requirements, or to ensure compliance by any of Alta Mesa's successors or assignees, regardless of whether Alta Mesa continues to exist after any such transaction.

10. The provisions of this SACO are severable. If any provision of this SACO or part thereof is declared unenforceable or invalid, it shall not affect the validity or enforceability of the remaining provisions of this SACO.
11. Alta Mesa expressly recognizes that failure to comply with the terms of this SACO may result in a district court action for collection of civil penalties and other relief available under Idaho Code § 47-329.
12. This SACO contains the entire agreement between the Parties. This SACO may not be enlarged, modified, or altered without written consent of both Parties.
13. Any Party's facsimile signature to the SACO and any e-mailed copy of a Party's signature to this SACO, if received from the party or its legal counsel, will be deemed an original and binding signature of this SACO by the Party.
14. Each Party represents and warrants that it has the authority to enter into this SACO and to take all actions provided for herein. The effective date of this SACO shall be the date the IDL Oil and Gas Administrator signs the agreement. However, the SACO does not become enforceable until the Oil and Gas Conservation Commission ("Commission") issues an order accepting the SACO. If the Commission does not accept the SACO, this SACO becomes null and void.
15. The Parties agree that this SACO will be presented to the Commission and reviewed by the Commission under IDAPA 04.11.01.612. The Parties both carry the burden of showing the Commission that the settlement is in accordance with the law. IDAPA 04.11.01.613.

Dated this 3 day of April, 2019


Scott Ricks, CEO
Alta Mesa Services, LP & AM Idaho, LLC

Dated this 4 day of April, 2019


Richard "Mick" Thomas, Oil and Gas Division Administrator
Idaho Department of Lands

EXHIBIT B

PROPOSED ORDER



IDAHO OIL & GAS
CONSERVATION COMMISSION

BEFORE THE IDAHO OIL AND GAS CONSERVATION COMMISSION

In the Matter of:) Docket No. CC-2019-OGR-01-001
)
AM IDAHO, LLC & ALTA MESA SERVICES,) [PROPOSED] FINAL ORDER
LP.)
Respondent.)
)

The above-captioned matter came before the Idaho Oil and Gas Conservation Commission (“Commission”) on April 23, 2019, as an agenda item at the Commission’s regular meeting. The Idaho Department of Lands’ Oil and Gas Division (“IDL”) and AM Idaho, LLC and Alta Mesa Services, LP (collectively “Alta Mesa”) filed a Joint Motion to Accept Settlement Agreement and Consent Order (“Joint Motion”) with the Commission on April 9, 2019. The parties presented the Joint Motion to the Commission at the April 23, 2019 meeting.

The administrative record contains IDL’s February 5, 2019 Administrative Complaint, the Joint Motion, the Settlement Agreement and Consent Order, and a Proposed Final Order. After review of the record and hearing argument from the parties, pursuant to Idaho Code §§ 47-314, 47-315, 47-329, IDAPA 04.11.01.612, 613, and 614, the Commission hereby grants the Joint Motion; accepts the attached Settlement Agreement and Consent Order (“SACO”) in its entirety, including accepting civil penalties against Alta Mesa in the amount of \$8,000 (\$5,000 for Violation One, \$3,000 for Violation Two).

PROCEDURES AND REVIEW

This is the Commission’s final order in this matter. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Commission will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See* Idaho Code § 67-

5246(4).

Any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which: (1) a hearing was held; (2) the final agency action was taken; (3) the party seeking review of the order resides, or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency action is located. Idaho Code §§ 67-5270; 5272.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this Final Order or (b) of an order denying petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal. Idaho Code § 67-5274.

DATED this ___ day of April, 2019.

MARC SHIGETA, Vice Chairman and Acting Chairman
Idaho Oil and Gas Conservation Commission

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this ___ day of April, 2019, a true and correct copy of the foregoing document was served on the following individual(s) by the method indicated:

Alta Mesa Services, LP & U.S. Mail
AM Idaho, LLC Overnight Delivery
c/o Michael Christian Messenger Delivery
Marcus, Christian, Hardee & Email: MChristian@mch-lawyer.com
Davies, LLP
737 North 7th Street
Boise ID 83702-5595

Kristina Fugate U.S. Mail
Deputy Attorney General Overnight Delivery
P.O. Box 83720 Messenger Delivery
Boise ID 83720 Email: kristina.fugate@ag.idaho.gov

IDAHO OIL & GAS
CONSERVATION COMMISSION

IDAHO OIL AND GAS CONSERVATION COMMISSION

April 23, 2019
Regular Agenda

SUBJECT

State Review of Oil and Natural Gas Environmental Regulations (S.T.R.O.N.G.E.R.)

BACKGROUND

The state of Idaho is a member state of the Interstate Oil and Gas Compact Commission (IOGCC). One of the benefits of membership is a periodic review of Idaho oil and gas regulations. In 2017, the State Oil and Gas Regulatory Exchange (SOGRE), an affiliate of the IOGCC, produced a Peer Assessment Report on the state regulatory environment in Idaho, and offered recommendations for further regulatory development. This report is known as the SOGRE report and is posted on the Oil and Gas Conservation Commission (Commission) web page.

The S.T.R.O.N.G.E.R. review is similar in process to the SOGRE report. This review process would analyze the state of Idaho's environmental regulations regarding oil and gas. The review would involve multiple state agencies and stakeholders including Idaho Department of Lands (IDL), Idaho Department of Water Resources (IDWR), Idaho Department of Environmental Quality (IDEQ) and the Environmental Protection Agency (EPA).

DISCUSSION

The S.T.R.O.N.G.E.R. review is provided at no cost to the state, and the findings are non-binding. There would be a measurable amount of staff time to complete some of the surveys. The final report would be reviewed by the involved agencies and stakeholders with potential actions being evaluated at that time. This review would include a presentation to the Commission.

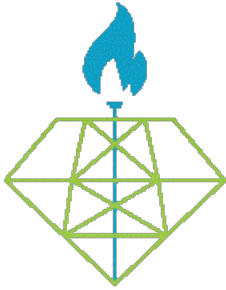
More detail on the S.T.R.O.N.G.E.R. guidelines can be found at:

<https://www.strongerinc.org/guidelines/>.

RECOMMENDATION

The Idaho Department of Lands recommends the Commission advise the Oil and Gas Division to move forward with the S.T.R.O.N.G.E.R review process.

COMMISSION ACTION



IDAHO OIL AND GAS CONSERVATION COMMISSION

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

Mick Thomas, Secretary to the Commission

Draft Minutes

Idaho Oil and Gas Conservation Commission Regular Meeting
February 13, 2019

The regular meeting of the Idaho Oil and Gas Conservation Commission was held on Wednesday, February 13, 2019, at the Borah Building, 2nd Floor Courtroom (Room 214), 304 N. 8th St. (at Bannock), Boise, Idaho. The meeting began at 1:02 p.m. Vice Chairman Marc Shigeta presided. The following members were present:

Commissioner Jim Classen – via teleconference during Executive Session
Commissioner Renee Love
Commissioner Dustin T. Miller

For the record, three Commission members were present. Commissioner Classen joined via teleconference for the Executive Session only. Vice Chairman Shigeta presided due to the resignation of Kevin Dickey.

• **ANNOUNCEMENTS**

Vice Chairman Shigeta disclosed a potential conflict of interest as follows:

“I would like to disclose a potential conflict of interest I had related to the production allocation investigation and the Kauffman contested case. I own mineral rights and I had leased my minerals to AM Idaho, LLC. However, my mineral rights were not included in any producing units and my lease expired January 28, 2019. While I acknowledge I had a potential conflict of interest in these matters, I have impartially evaluated and participated in these matters, but just a disclosure.”

Vice Chairman Shigeta stated that there would be public comments accepted and that public comment will be taken after item 5 prior to the Executive Session. Secretary Thomas announced that Commissioner Classen will call in for the Executive Session.

1. Division Administrator’s Report

A. Financial Update

B. Current Oil and Gas Activity

Commissioner Love inquired as to why there were two well symbols on the Fallon 1-10 location. Secretary Thomas responded that it was a map error and that it will be corrected.

Later in the meeting, Program Manager James Thum clarified that the Fallon 1-10 well is a directional well and that the map shows surface and bottom hole well locations (thus the two well symbols).

C. Status Update

- i. Class II Injection Well – Permit Status
- ii. Docket No. CC-2017-OGR- 01-002 – Kauffman Complaint
- iii. Oil and Gas Royalty Audit

D. Operator Compliance

Vice Chairman Shigeta stated that the oil and gas town hall meeting was in Payette last week and that it went great. One issue that continues to come up is severance tax rates and whether or not it is adequate. Vice Chairman Shigeta asked that the severance tax study done by the previous Commission be put on the Oil and Gas Conservation Commission website. Secretary Thomas responded that it will be put on the website. Secretary Thomas explained that severance tax rate varies from state-to-state, and that some states that have higher tax rates may have more deductions. He stated that Idaho's 2.5% severance tax rate is comparable to other states. Later in the meeting, Mr. Thum stated that the severance tax study was on the Oil and Gas Conservation Commission website on the News and Information page. Secretary Thomas responded that it would be put on the front page.

• **CONSENT – ACTION ITEM(S)**

2. **Approval of Minutes** – December 20, 2018 - Regular Meeting (Boise)

CONSENT AGENDA COMMISSION ACTION: A motion was made by Commissioner Miller that the Commission approve the meeting minutes on the Consent Agenda. Commissioner Love seconded the motion. The motion carried on a vote of 3-0.

• **REGULAR – ACTION ITEM(S)**

3. **Election of Interim Chairman and Vice Chairman**

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

DISCUSSION: Vice Chairman Shigeta stated that the election could be delayed since Commissioner Classen was not present. Secretary Thomas read the statute stating that if a vacancy occurs then a new one shall be elected. Secretary Thomas clarified that this is an interim role. Vice Chairman Shigeta asked if new officers would be elected in August and Secretary Thomas responded yes. Commissioner Miller added that the statute does not specify a time frame, and that this could be held another month so Commissioner Classen would be in attendance. Vice Chairman Shigeta stated that the fifth Commissioner could also be appointed by then.

COMMISSION ACTION: A motion was made by Commissioner Miller to delay the election of the interim chair for the Idaho Oil and Gas Conservation Commission until the next regularly scheduled meeting. Commissioner Love seconded the motion. The motion carried on a vote of 3-0.

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

- **INFORMATION**

4. Quarterly Report - Third Quarter 2018 – Presented by James Thum, Program Manager – Oil and Gas

For the record, Mr. Thum noted an error on slide 7. It stated there were no sundry notices received during this quarter. The correction was that one sundry notice was received in July 2018 for the ML Investments 1-11 well. ¹

5. Operator Records Examined/Allocation Investigation – Presented by Mick Thomas, Division Administrator – Oil and Gas

DISCUSSION: Secretary Thomas announced that High Mesa Holdings is separated from Alta Mesa Resources, LLC and that High Mesa Holdings is who oversees the Idaho operations. Secretary Thomas met with High Mesa Holdings in January and they confirmed the allocation errors; production is going down and the numbers on the quarterly reports may be revised as a result of this investigation. Secretary Thomas added that High Mesa Holdings has been cooperative and is submitting requested information to the Department and that the Oil and Gas Division staff are evaluating the data. Secretary Thomas explained that he met with some independent transporters and compared their records with the records High Mesa Holdings submitted. Secretary Thomas stated that ARM Energy Management, LLC (ARM) was not purchasing product toward the end of the year, and that new documents show purchasers from other states. He reiterated that the Department is diligently moving forward and that once things are confirmed, reports will be shared with the Commission who then can determine if action is needed.

Vice Chairman Shigeta opened the floor for public comment. Dr. Brent Mathieu, representing Oil and Gas Resource Council, gave public comment.

At 1:52 p.m., a motion was made by Commissioner Miller 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. Commissioner Love seconded the motion. Roll Call Vote at 1:53 p.m.: Aye: Love, Miller, Shigeta; Nay: None; Absent: Classen.

Vice Chairman Shigeta called for a five-minute break. For the record, Commissioner Classen joined the meeting via teleconference at 1:55 p.m.

¹ The meeting materials on the Oil and Gas Conservation Commission website were updated with the corrected slides after the meeting.

- **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: CAIA v. Schultz, Idaho Federal District Court Case No. 1:17-cv-00264-BLW]

At 2:47 p.m., the Commission resolved out of Executive Session by unanimous consent. Commissioner Love stated that no action was taken by the Commission during the Executive Session. For the record, Commissioner Classen called in for the Executive Session only.

- **REGULAR – ACTION ITEM(S)**

6. CAIA v. Schultz, Idaho Federal District Court Case No. 1:17-cv-00264-BLW

COMMISSION ACTION: None.

There being no further business before the Commission, at 2:49 p.m. a motion to adjourn was made by Commissioner Love. Commissioner Miller seconded the motion. The motion carried on a vote of 3-0. Meeting adjourned.

DRAFT

IDAHO OIL & GAS
CONSERVATION COMMISSION



IDAHO OIL AND GAS CONSERVATION COMMISSION

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

Mick Thomas, Secretary to the Commission

Draft Minutes
Idaho Oil and Gas Conservation Commission Special Meeting
February 26, 2019

A special meeting of the Idaho Oil and Gas Conservation Commission was held on Tuesday, February 26, 2019, in the Idaho Department of Lands, Garnet Conference Rooms, 300 North 6th St., Boise, Idaho. The meeting began at 10:00 a.m. Vice Chairman Shigeta presided. The following members were present:

Vice Chairman Marc Shigeta
Commissioner Jim Classen
Commissioner Renee Love (*via teleconference*)
Commissioner Dustin Miller

For the record, all four Commission members were present with Commissioner Love attending via teleconference. Vice Chairman Shigeta, Commissioner Classen, and Commissioner Miller attended the meeting in person.

At 10:00 a.m., a motion was made by Commissioner Classen 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. Commissioner Miller seconded the motion. Roll Call Vote: *Aye*: Love, Classen, Miller, Shigeta; *Nay*: None; *Absent*: None.

• **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: CAIA v. Schultz, Idaho Federal District Court Case No. 1:17-cv-00264-BLW]

At 11:02 a.m., the Commission resolved out of Executive Session by unanimous consent. For the record, Vice Chairman Shigeta stated that no action was taken by the Commission during the Executive Session.

- **REGULAR (ACTION)**

- 1. CAIA v. Schultz, Idaho Federal District Court Case No. 1:17-cv-00264-BLW**

COMMISSION ACTION: A motion was made by Commissioner Miller that the Commission does not appeal the CAIA v. Schultz ruling and that the Commission takes steps toward compliance with the judge's order. Commissioner Classen seconded the motion. The motion carried on a vote of 3-0. Commissioner Love did not vote.

After the motion passed, Commissioner Classen asked if there were any suggestions about resolving the issues raised by the lawsuit. Vice Chairman Shigeta responded that a teleconference would be held in the near future. Secretary Thomas stated that the Department will continue to move forward to look at statutory fixes and present to the Commission at a future date.

There being no further business before the Commission, at 11:04 a.m. a motion to adjourn was made by Commissioner Love. Commissioner Miller seconded the motion. The motion carried on a vote of 4-0. Meeting adjourned.

DRAFT

IDAHO OIL & GAS
CONSERVATION COMMISSION

**Oil and Gas Regulatory Program
Activities Report as of March, 2019
Fund 0075-14 Oil and Gas Conservation Fund Cash Flow Report**

		Current Month	Year-to-Date
Beginning Cash Balance 7/1/2018	322,595.74		
Permits		0.00	11,000.00
*Severance Tax		9,349.57	103,503.01
Refund (previous year)		0.00	0.00
Other (transfer to GF)		0.00	0.00
Total		9,349.57	114,503.01
Personnel Expenditures		(6,674.85)	(60,797.41)
Operating Expenditures		(52.99)	(7,348.86)
P-Card Liability to be paid			0.00
Ending Cash Balance 03/31/2019			368,952.48

*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 FY19

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55000 Expenses				
PC	388,800.00	30,729.23	280,840.37	107,959.63
OE	102,000.00	1,672.01	80,577.93	21,422.07
CO	0.00	0.00	0.00	0.00
Total	490,800.00	32,401.24	361,418.30	129,381.70

Dedicated Fund Regulatory Program Expenditures Report

Expenditures from Dedicated Fund FY19

	Appropriation	Current Month	Year-to-Date	Balance
PCA 55070 Expenses				
PC	95,800.00	6,674.85	60,797.41	35,002.59
OE	110,000.00	52.99	7,348.86	102,651.14
CO		0.00	0.00	0.00
Total	205,800.00	6,727.84	68,146.27	137,653.73



Southwest Idaho Oil & Gas Activity Map



Legend

Active Oil and Gas Wells	Inactive Oil and Gas Wells	Gas Pipeline	Gas Plant
Shut in Gas	Plugged and Abandoned (P&A) Gas Show	Gas Transmission Pipeline	Idaho Mineral Estate
Producing - Multi Zone	Plugged and Abandoned	Highway	Surface Ownership
Producing	APD Submitted	Township	BLM
Permitted		Sections	IDF&G
		Counties	IDL
		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	Shut In
18	11-075-20033	AM Idaho, LLC	Barlow #1-14	Shut In
19	11-075-20035	AM Idaho, LLC	Fallon #1-11*	Permitted
			* confidential well	

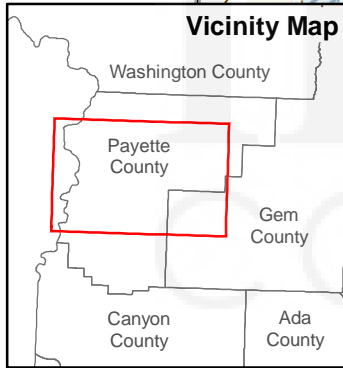
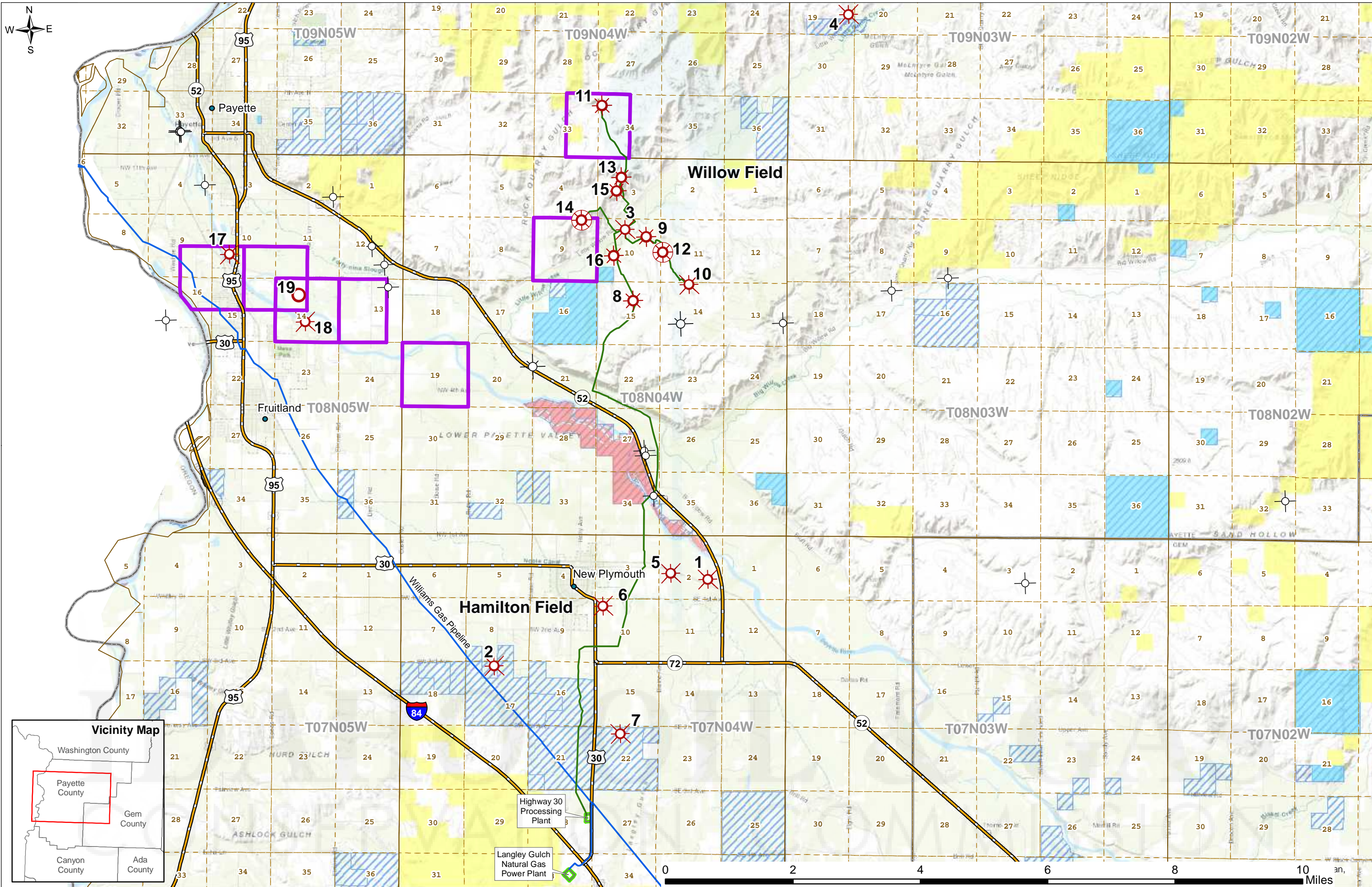
Map Notes and Data Sources

Inactive and Active Oil And Gas Wells through 1/10/2019

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

No.	US Well Number	Operator	Well Name	Status
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	11-019-20015	CPC Mineral, LLC	Bell #17-2*	Drilled
			* confidential well	

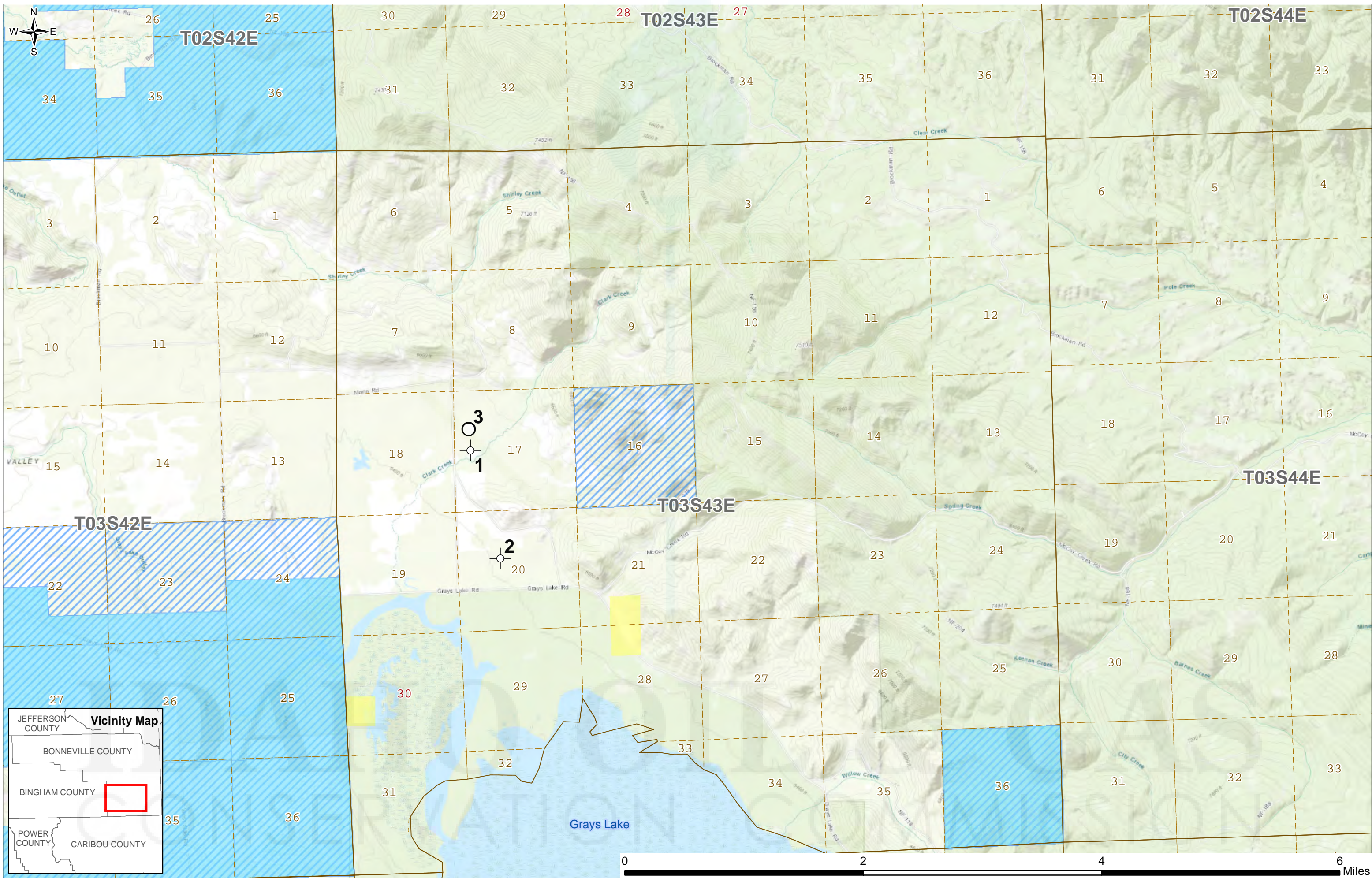
Map Notes and Data Sources

Inactive and Active Oil And Gas Wells through 11/26/2018

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 9C - Status Update

i. Class II Injection Well – Permit Status:

The Environmental Protection Agency (EPA) has asked for additional detail regarding the application. Currently, the application for the permit is on hold until the operator provides the clarification and additional details. The Idaho Department of Lands is in regular communication with the EPA and has confirmed the contact information for the operator is correct.

ii. Docket No. CC-2017-OGR-01-002 – Kauffman Complaint:

On April 17, 2019, there was a prehearing conference with both parties to discuss additional documents requested by the complainant. Documents for this case can be found on the Administrative Hearings page on the Oil and Gas Conservation Commission website.

IDAHO OIL AND GAS CONSERVATION COMMISSION
April 23, 2019
Information Agenda

SUBJECT

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

BACKGROUND

Per Idaho Code Title 47 Chapter 3 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 all active well sites and equipment, production and processing facilities and submit an opinion on any areas of concern identified during inspections.

DISCUSSION

A summary of oil and gas production and sales volumes for the 4th quarter of 2018 (October-November-December) 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 Idaho Oil and Gas Conservation Commission.

ATTACHMENTS

1. PowerPoint – “Fourth Quarter 2018 Idaho Oil & Gas Activity Report”

IDAHO OIL & GAS
CONSERVATION COMMISSION

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

4th Quarter 2018 (October - December)



April 23, 2019

JAMES THUM

OIL & GAS PROGRAM MANAGER

IDAHO DEPARTMENT OF LANDS

ATTACHMENT 1

**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 – 4th Quarter 2018

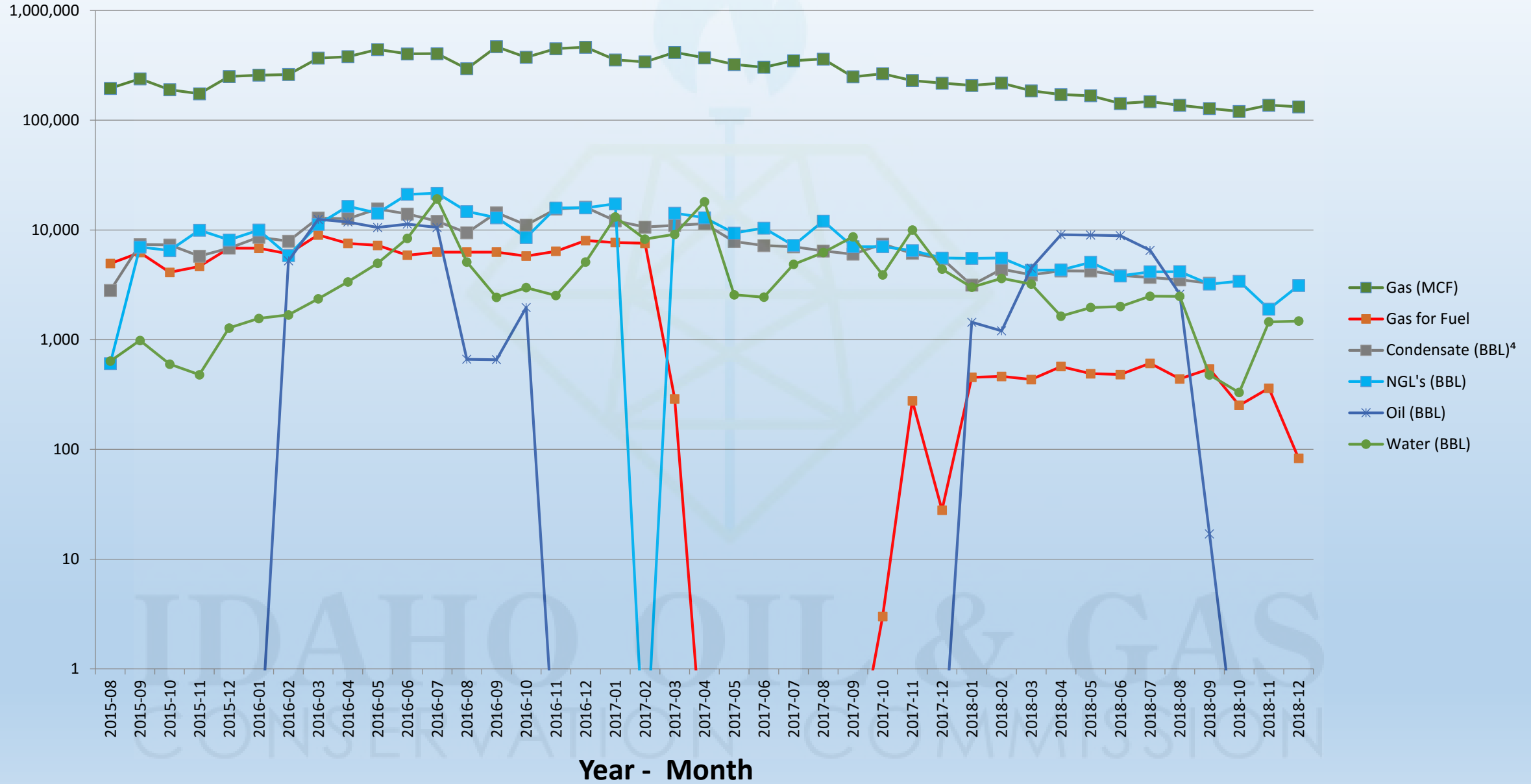
Comparison to Previous Quarter / Previous Year

<u>Volumes Produced</u>	<u>Cum. Gas (MCF)</u>	<u>Condensate (BBL)</u>	<u>NGLs (Gallons)*</u>	<u>Cum. Oil (BBL)</u>	<u>H2O (BBL)</u>
4th Quarter 2018	389,245	11,044	353,472	0	3,263
3rd Quarter 2018	412,326	10,478	484,428	9,137	5,452
Increase / Decrease	-23,081	566	-130,956	-9,137	-2,189
% Difference	-6%	5%	-27%	100%	-40%
vs 4th Quarter 2017	-45%	-42%	-56%	NC	-82%
<u>Volumes Sold</u>	<u>Gas (MMBtu)</u>	<u>Condensate (BBL)</u>	<u>NGLs (Gallons)</u>	<u>Oil (BBL)</u>	
4th Quarter 2018	413,000				
3rd Quarter 2018	427,000	Purchaser			
Increase / Decrease	-14,000		Reports		
% Difference	-3%			Pending	
vs 4th Quarter 2017	-47%				

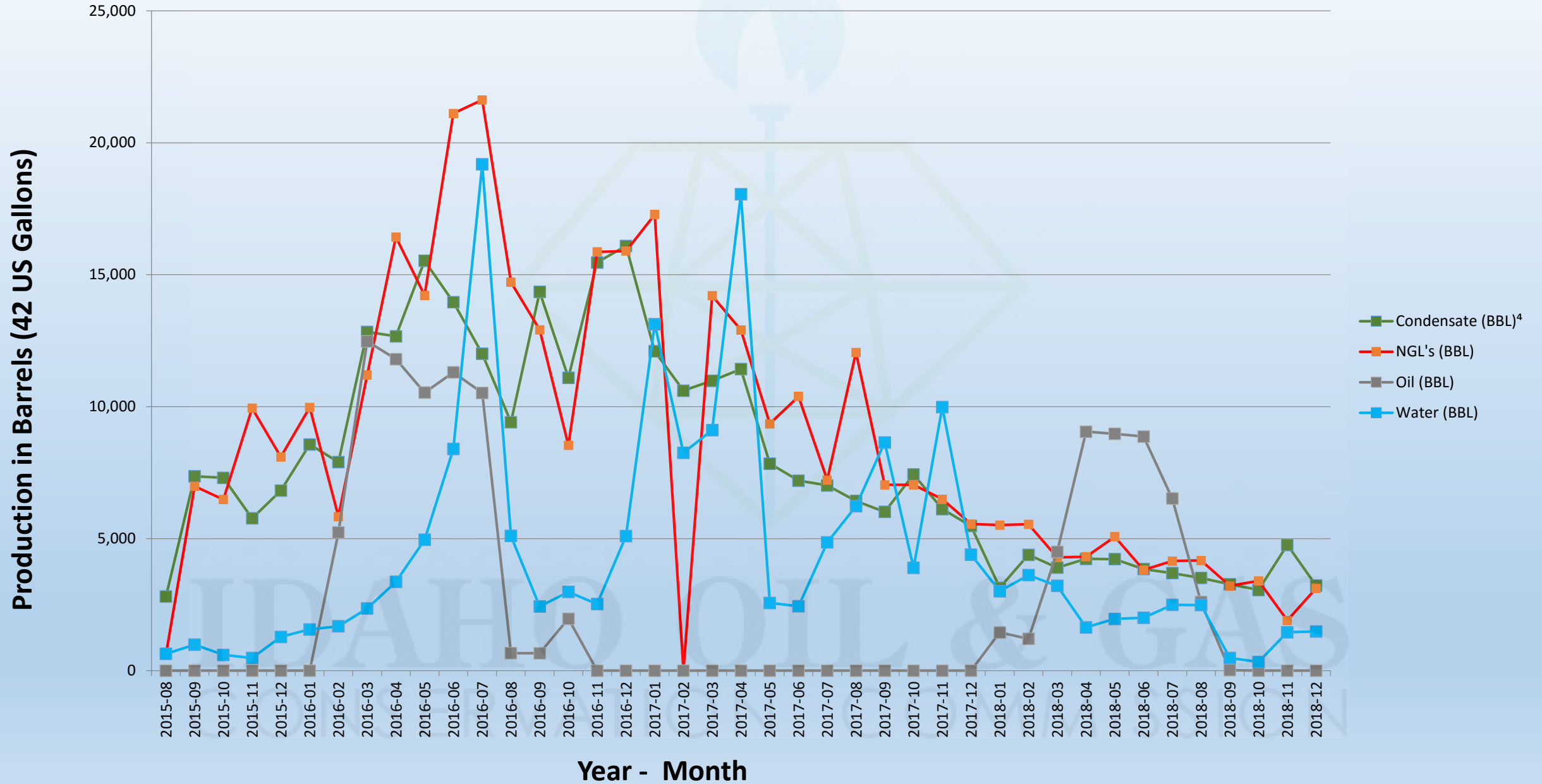
*Denotes Plant Production from Highway 30 Facility

WILLOW FIELD – TOTAL PRODUCTION BY MONTH

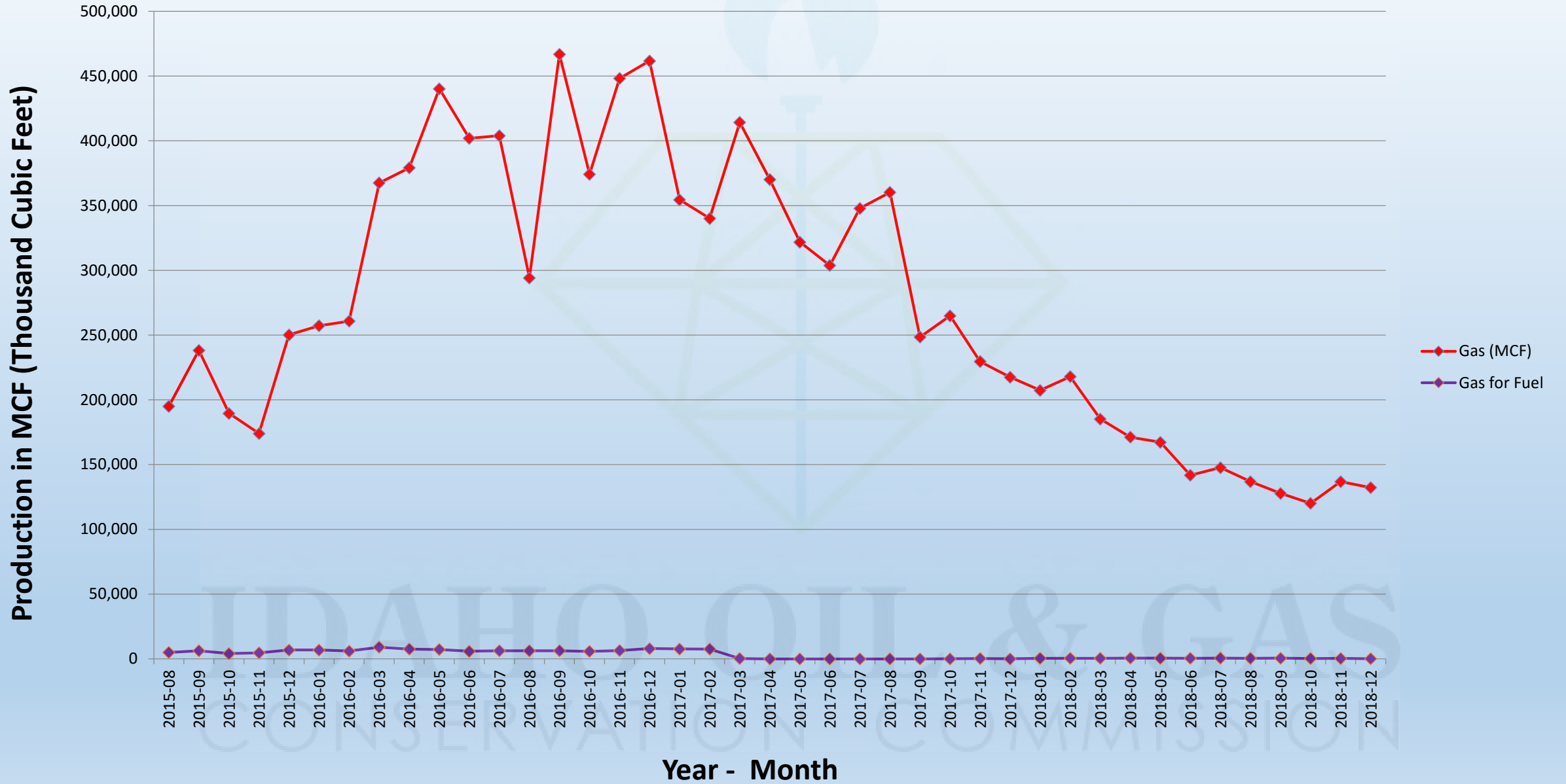
Gas Production in MCF / Liquids Production in BBLs



WILLOW FIELD – LIQUIDS PRODUCTION BY MONTH



WILLOW FIELD – GAS PRODUCTION BY MONTH



Plant – Transportation – Sold Volumes

1-Year Running Totals – July 2017 through June 2018

<u>Residue Gas (MCF)</u>			<u>Gas Sold (MMBtu)</u>	<u>Produced vs Sold (Variance)</u>
2,573,800			2,993,986	16%
<u>Plant Condensate (BBL)</u>	<u>Condensate Transported</u>	<u>Produced vs Transported (Variance)</u>	<u>Condensate Sold (BBL)</u>	<u>Transported vs Sold (Variance)</u>
69,791	75,906	8.7%	80,610	6.2%
<u>Plant NGLs (Gallons)</u>	<u>NGLs Transported</u>	<u>Produced vs Transported (Variance)</u>	<u>NGLs Sold (Gallons)</u>	<u>Transported vs Sold (Variance)</u>
2,896,656	3,286,406	13.4%	3,251,082	-1.1%
<u>Oil Produced (BBL)</u>	<u>Oil Transported</u>	<u>Produced vs Transported (Variance)</u>	<u>Oil Sold (BBL)</u>	<u>Transported vs Sold (Variance)</u>
34,047	10,035	-70%	19,792	97%

Well & Permit Activity

4th Quarter 2018

<u>Wells</u>	<u>Active Permits</u>	<u>Drilling wells</u>	<u>Producing wells</u>	<u>Comments</u>	
October	18	0	6		
November	18	1	7	Bell #17-2 spud 11-6-2018 Kauffman 1-9 offline Kauffman 1-34, ML 1-3 online	
December	18	0	5	Kauffman 1-34, ML 2-3 offline	
<u>Other</u>	<u>Sundry Notices</u>	<u>Workovers</u>	<u>APPs Received</u>	<u>APPs Approved</u>	<u>APPs Denied</u>
October	1	0	5*	0	0
November	2	0	0	5	0
December	0	0	0	0	0

*Notice to Plug received 9/12/2018 for Four Wells: Espino #1-2, Tracy Trust #3-2, White #1-10, Korn #1-22 all in Payette Co. Department Requested Plugging Applications and Fee per Idaho Code § 47-316(3)(c) 9/18/2018

Compliance Activity – 4th Quarter 2018

- **1 Administrative Complaint / Notice of Violation (NOV)**
 - **Docket Number CC-2018-OGR-01-002**
 - **Complaint Filed October 5, 2018 against AM Idaho, LLC**
 - **Two Violations:**
 1. **Operator performed a plug back and recompletion to a different producing horizon without obtaining IDL approval (violation of Idaho Code § 47-316(1)(a), IDAPA 20.07.02.030 and IDAPA 20.07.02.200.01).**
 2. **Operator failed to submit a Well Completion or Recompletion Report within thirty (30) days of completing the operation (violation of Idaho Code § 47-324(2) and IDAPA 20.07.02.340).**
 - **Settlement Agreement and Consent Order approved by the Commission November 30, 2018.**
 - **Total Fines: \$4000**

**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 – 4th Quarter 2018

- **Well Inspections**
 - **2 – Witness Conductor Casing / Inspect Well Pad (Bell #17-2)**
Witness Surface Casing per IDAPA 20.07.02.310.05 (Bell #17-2)
- **Two Gas Facility Inspections**
 - **Idaho Code § 47-315(9) – Annual**
 - **IDAPA 20.07.02.430.05 - Quarterly**
- **No Issues or Concerns Found**
- **No Citations Issued For Inspections**
- **2018 Totals:**
 - **23 Well Inspections**
 - **8 Facilities Inspections**



Questions, Comments & Suggestions?



Thank You
Next Quarterly Report – July 2019

IDAHO OIL AND GAS CONSERVATION COMMISSION
April 23, 2019
Information Agenda

SUBJECT

Update on the ongoing Allocation Investigation for hydrocarbons from wells in Payette County operated by Alta Mesa Services. A glossary of capitalized terms follows this memo.

BACKGROUND

The wells produce two hydrocarbon streams generically referred to as gas and condensate. The two streams are processed into three marketable products: Residue Gas, Natural Gas Plant Liquids, and Plant Condensate. The volumes of these three products are then allocated back to each well completion.

In 2018, the Idaho Oil and Gas Conservation Commission (Commission) noted discrepancies in reported volumes for Residue Gas and Plant Condensate. Residue Gas is derived from Rich Gas. Rich Gas is transported from wellheads through the Little Willow Gathering Facility (Little Willow Facility), through the 11-mile long gas pipeline, and through the Northwest Gas Processing Highway 30 Plant (Highway 30 Plant). The Highway 30 Plant extracts Natural Gas Plant Liquids from Rich Gas. The remaining processed gas at the outlet of the Highway 30 Plant is Residue Gas. Plant Condensate is derived from Well Condensate. Well Condensate is transported from wellheads through the Little Willow Facility, through the 11-mile long condensate pipeline, and through the Highway 30 Plant. The remaining processed condensate at the outlet of the Highway 30 Plant is Plant Condensate.

Alta Mesa was informed of the discrepancies. They discovered a systematic error in an equation used in some steps of the allocation process. The error affected the volumes of Plant Condensate allocated to the gas and liquid streams leaving the Little Willow Facility and entering the Highway 30 Plant. Allocations of Natural Gas Plant Liquids were not affected by the error.

The error was a mismatched stream analysis reference within an equation.

- The incorrect reference applied the equivalent liquid volume percentage of each individual hydrocarbon component derived from each individual laboratory analysis.
- The correct reference applied the molecular percentage of each individual hydrocarbon component derived from each individual laboratory analysis.

Table 1 is a textbook example laboratory hydrocarbon analysis data table of chromatographic results using test method GPA 2186M. It lists the "Mole %" (molecular %) and the "Liq. Vol. %" (liquid volume percent) for 21 components. Highlighted in yellow are the Mole % and the Liq. Vol. % for methane. Note the difference in percentages for methane. Differences also occur for the other individual components.

Components	Mole %	Weight %	Liq. Vol. %
Carbon Dioxide.....	0.0853	0.1450	0.0687
Nitrogen.....	0.0281	0.0304	0.0146
Methane.....	64.2964	39.8359	51.4398
Ethane.....	14.4191	16.7445	18.1980
Propane.....	11.9911	20.4207	15.5901
iso-Butane.....	2.5568	5.7392	3.9483
n-Butane.....	3.8382	8.6156	5.7104
iso-Pentane.....	0.9367	2.6100	1.6166
n-Pentane.....	0.9036	2.5178	1.5457
Cyclopentane.....	0.0519	0.1405	0.0725
n-Hexane.....	0.2551	0.8490	0.4950
Cyclohexane.....	0.0463	0.1505	0.0743
Other Hexanes	0.2743	0.9130	0.5324
Heptanes.....	0.0865	0.3347	0.1883
Methylcyclohexane.....	0.0301	0.1141	0.0571
2,2,4-Trimethylpentane...	0.0951	0.4195	0.2332
Benzene.....	0.0247	0.0745	0.0326
Toluene.....	0.0104	0.0370	0.0164
Ethylbenzene.....	0.0007	0.0029	0.0013
Xylenes.....	0.0062	0.0254	0.0113
C8+ Heavies.....	0.0634	0.2797	0.1533
Totals	100.0000	100.0000	100.0000

GENERAL ALLOCATION METHOD

The individual well completions are allocated their shares of hydrocarbon products (Plant Condensate, Residue Gas, and Natural Gas Plant Liquids) produced by the Highway 30 Plant by a one-, two-, or three-step allocation method. The allocation methods differ in the number of steps because of various technical, operational, or financial constraints associated primarily with the location of each well in relation to the production process. Each individual step uses the component volumes derived from the laboratory analyses that are used to scale the contribution of each well completion to the total of each product.

- One Step Allocation. Only well completion DJS 1-15 uses a one-step allocation process. The fluid stream from DJS 1-15 undergo three-phase gravity separation and metering at the well pad. The two liquid hydrocarbon streams from DJS 1-15 go into the two separate pipelines that transport Well Condensate and Rich Gas from the Little Willow Facility to the Highway 30 Plant. Therefore, the Highway 30 Plant totals are allocated **to** DJS 1-15 in one step.
- Two Step Allocation. Seven well completions (Kauffman 1-9 LT (“lower tube”), Kauffman 1-9 UT (“upper tube”), ML 1-10, ML 1-11 UT, ML 1-11 LT, ML 2-10, and ML 3-10) use a two-step allocation process.
 - Step 1: Highway 30 Plant totals **to** Little Willow Facility totals;

- Step 2: Little Willow Facility totals (minus totals from the “multi wells” discussed below) **to** these individual well completions.
- Three Step Allocation. The three wells with partial federal mineral ownership (ML 1-3, ML 2-3, and Kauffman 1-34) use a three step allocation process.
 - Step 1: Highway 30 Plant totals **to** Little Willow Facility totals;
 - Step 2: Little Willow Facility totals **to** the “multi well” totals. For well completions K 1-34, ML 1-3, and ML 2-3, each well fluid stream undergoes three-phase gravity separation and metering for each well at each well pad, and not at the Little Willow Facility. Then, the three fluid streams (water, hydrocarbon liquids, and hydrocarbon gases) from the three wells (nine total fluid streams) are combined into one gathering line, which runs to the multi-well three-phase separator located at the Little Willow Facility. The multi-well separator creates three fluid streams (water, hydrocarbon liquids, and hydrocarbon gases), each individually metered.
 - Step 3: The multi-well hydrocarbon stream totals are allocated **to** individual well completions.

DISCUSSION

Attachment 1 (McFarland datasets) comprises several allocation datasets produced for Alta Mesa by contract petroleum engineer S. McFarland. The Oil and Gas Division received these datasets on April 1, 2019. The McFarland datasets contain the monthly results and yearly summations of the original (“old”) allocation method (2015-2018), the results of the corrected (“new”) allocation method (2016-2018), and the differences between the two methods (2016-2018).

Attachment 2 (IDL Review datasets) is a year-by-year summary of the McFarland datasets. It is color-coded for ease of review. The IDL Review datasets also include a summary of Plant Condensate volumes and Residue Gas volumes using both allocation methods (new and old), as well as the difference and percent difference between these methods.

The bottom of the IDL Review dataset includes the 2016-2018 grand totals of volumes for all well completions for Plant Condensate (new, old, difference) and for Residue Gas (new, old, difference). The grand totals of volumes for new versus old are equal. In addition, the IDL Review datasets suggest that the new corrected allocation has reasonable variances of plus or minus five percent by well completion as shown by the percent differences to the old allocation results. The exception is the Kauffman 1-9 LT, which shows a negative 28 percent difference in Plant Condensate. At this point in our investigation, the variances in percent differences, including Kauffman 1-9 LT, are presumed to be related to the allocation error summarized above.

GLOSSARY

Allocation is a term used to describe the system by which ownership of oil, gas, and produced water is determined and tracked from the point of production to a point of sale or discharge. Allocation is also known as hydrocarbon accounting, hydrocarbon value realization, product measurement and allocation, and production management and reporting. Although the principles of allocation are straightforward, the details are highly complex.

Natural Gas Plant Liquids means hydrocarbon compounds in Rich Gas that are extracted as liquids at processing plants, gas processing plants, gas plants, gasoline processing plants, fractionating plants, cryogenic plants, and cycling plants. Natural Gas Plant Liquids may include ethane, propane, the butanes, the pentanes, and hydrocarbon compounds of higher molecular weight. Hydrocarbon components may be fractionated and sold as an individual hydrocarbon (such as propane), or mixed together (referred to as Y-grade or raw mix) and sold, depending on the purchaser's sales agreement.

Plant Condensate is also referred to as stabilized condensate and means the processed liquid hydrocarbon product from a processing plant. The processing decreases the quantity of methane and ethane, which reduces the vapor pressure of the liquid, thereby preventing the production of vapor phase upon flashing the liquid, which ensures safe storage in atmospheric transportation and storage tanks.

Residue Gas is also referred to as tailgate gas, burner gas, or pipeline-quality natural gas and means 87.0 - 97.0 molecular percentage of methane that is merchantable and marketable, and meets an interstate or intrastate transmission company's minimum specifications per American Gas Association Bulletin No. 36.

Rich Gas means all hydrocarbon compounds and gaseous substances in a raw, unprocessed liquids-rich gas (minus formation water) that is gaseous at the conditions under which its volume is measured or estimated. Rich Gas is typically recovered from the wellhead or at the surface by use of a gravity separator or similar equipment. Rich Gas typically consists mostly of methane, ethane, propane, the butanes, and minor amounts of the pentanes plus hydrocarbon compounds of higher molecular weight.

Well Condensate means undifferentiated crude oil or condensate as a mixture of raw liquid hydrocarbon components, the majority of which range from pentanes and hydrocarbon compounds of higher molecular weight recovered after the wellhead by gravity separation or a similar process, and is liquid at the conditions under which its volume is measured or estimated. Well Condensate (also called lease condensate) can be derived directly after the wellhead with no separation (historically called casinghead gasoline). Well Condensate is typically unstable for truck transport and must be processed at a specialized facility to remove specific hydrocarbon compounds or various impurities; it is then referred to as Plant Condensate.

ATTACHMENTS

1. McFarland Allocation Datasets
2. IDL Review Datasets
3. PowerPoint – "Allocation Investigation"

NOTE: THIS SHEET USES A DIFFERENT ORDER OF WELLS, VERSUS ORIGINAL, AND ONLY SHOWS YEARLY SUMMARIES OF ORIGINAL (Hidden monthly columns)

EXPLANATION OF COLORS OF FONTS AND HIGHLIGHTS

Plant Condensate
Residue Gas

MPGL were not affected by the allocation error
Allocation Method
Product Produced
2015 Total
2016 Total
2017 Total
2018 Total

Note: Variance in % Difference from Plant Condensate to Residue Gas is due to the allocation error (See Memo), Eg. Methane mole % = 10.3642 vs Liquid Volume % = 3.410.

Meter No.	Meter Name	Product Produced	Allocation Method	2015 Total	2016 Total	2017 Total	2018 Total	row	2016 - 2018 Totals by Well Completion											
									Plant Condensate (BBL)				Residue Gas (MMBtu)							
									New (1+7)	Old (2+8)	Difference (5+9)	% Difference	New (4+10)	Old (5+11)	Difference (6+12)	% Difference				
FE-103C	ML 1-3 Condensate	Cond	New		18,778	13,433	671	1	32,884										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-103C	ML 1-3 Condensate	Cond	Old		20,706	4,936	328	2	25,970									Allocation (-) by 3 Steps: Plant Total => After Separator => Well		
FE-103C	ML 1-3 Condensate	Cond	diff		(1,928)	8,498	(443)	3	6,228											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-103C	ML 1-3 Gas	Gas	New		9,914	1,128	387	4	18,468											
FE-103C	ML 1-3 Gas	Gas	Old		10,085	21,898	1,168	5	33,152										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-103C	ML 1-3 Gas	Gas	diff		(112)	(13,771)	(781)	6	(14,664)											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-103G	ML 1-3 Gas	Gas	New		19,531	18,784	592	7	38,907	71,791										
FE-103G	ML 1-3 Gas	Gas	Old		20,324	28,978	1,013	8	50,314	76,285									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-103G	ML 1-3 Gas	Gas	diff		(793)	(10,193)	(421)	9	(10,566)	(4,338)										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-103G	ML 1-3 Gas	Gas	New		1,609,614	1,301,134	60,634	10	2,971,382	2,989,870										
FE-103G	ML 1-3 Gas	Gas	Old		1,612,473	1,281,423	59,468	11	2,953,365	2,986,516									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-103G	ML 1-3 Gas	Gas	diff		(2,860)	19,711	1,167	12	18,017	3,354										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-134C	Kauffman 1-34 Condensate	Cond	New		13,061	5,738	498	13	23,292											
FE-134C	Kauffman 1-34 Condensate	Cond	Old		4,147	17,571	2,674	14	20,473										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-134C	Kauffman 1-34 Condensate	Cond	diff		(510)	3,064	(265)	15	2,289											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-134C	Kauffman 1-34 Gas	Gas	New		15,426	3,942	179	16	19,547											
FE-134C	Kauffman 1-34 Gas	Gas	Old		15,550	11,956	604	17	27,510										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-134C	Kauffman 1-34 Gas	Gas	diff		(124)	(7,414)	(425)	18	(7,063)											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-134G	Kauffman 1-34 Gas	Gas	New		6,525	3,074	231	19	9,830	33,122										
FE-134G	Kauffman 1-34 Gas	Gas	Old		204	6,832	4,177	20	11,345	31,819									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-134G	Kauffman 1-34 Gas	Gas	diff		(307)	(1,102)	(106)	21	(1,303)	986										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-134G	Kauffman 1-34 Gas	Gas	New		40,299	142,206	12,823	22	10,071	582,775										
FE-134G	Kauffman 1-34 Gas	Gas	Old		410,537	144,085	12,757	23	567,379	594,889									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-134G	Kauffman 1-34 Gas	Gas	diff		(3,037)	(1,179)	(65)	24	(4,151)	(12,114)										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-203C	ML 2-3 Condensate	Cond	New		6,054	3,522	587	25	10,163											
FE-203C	ML 2-3 Condensate	Cond	Old		6,442	1,498	237	26	8,177										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-203C	ML 2-3 Condensate	Cond	diff		(388)	2,023	(650)	27	(603)											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-203C	ML 2-3 Gas	Gas	New		4,245	2,382	213	28	7,037											
FE-203C	ML 2-3 Gas	Gas	Old		4,540	6,063	725	29	11,328										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-203C	ML 2-3 Gas	Gas	diff		(98)	(3,681)	(512)	30	(4,291)											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-203G	ML 2-3 Gas	Gas	New		5,309	4,082	681	31	10,074	20,234										
FE-203G	ML 2-3 Gas	Gas	Old		5,620	6,204	1,172	32	12,997	21,173									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-203G	ML 2-3 Gas	Gas	diff		(311)	(2,123)	(491)	33	(1,943)	(658)										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-203G	ML 2-3 Gas	Gas	New		358,181	263,960	47,583	34	669,724	676,762										
FE-203G	ML 2-3 Gas	Gas	Old		361,450	260,154	46,938	35	685,541	679,869									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-203G	ML 2-3 Gas	Gas	diff		(2,269)	3,807	445	36	(4,818)	(1,071)										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-115C	DIS 1-15 Condensate	Cond	New		1,228	903	1	37	2,130											
FE-115C	DIS 1-15 Condensate	Cond	Old		1,228	501	2	38	1,729										Allocation (-) by One Step: Plant Total => DIS 1-15	
FE-115C	DIS 1-15 Condensate	Cond	diff		0	(403)	(3)	39	(401)											Allocation (-) by One Step: Plant Total => DIS 1-15
FE-115C	DIS 1-15 Gas	Gas	New		671	402	1	40	1,334											
FE-115C	DIS 1-15 Gas	Gas	Old		68,018	59,323	5	41	127,342										Allocation (-) by One Step: Plant Total => DIS 1-15	
FE-115C	DIS 1-15 Gas	Gas	diff		(67,147)	(58,840)	(6)	42	(125,987)											Allocation (-) by One Step: Plant Total => DIS 1-15
FE-115G	DIS 1-15 Gas	Gas	New		690	501	7	43	1,192	3,322										
FE-115G	DIS 1-15 Gas	Gas	Old		690	903	8	44	1,593	3,322									Allocation (-) by One Step: Plant Total => DIS 1-15	
FE-115G	DIS 1-15 Gas	Gas	diff		0	(402)	(1)	45	(401)	0										Allocation (-) by One Step: Plant Total => DIS 1-15
FE-115G	DIS 1-15 Gas	Gas	New		68,018	59,323	5	46	127,342	128,696										
FE-115G	DIS 1-15 Gas	Gas	Old		671	483	11	47	1,354	128,696									Allocation (-) by One Step: Plant Total => DIS 1-15	
FE-115G	DIS 1-15 Gas	Gas	diff		67,147	(58,840)	(22)	48	125,987	0										Allocation (-) by One Step: Plant Total => DIS 1-15
FE-109AC	Kauffman 1-9 LT Oil	Gas	New		-	6,496	1	49	6,496											
FE-109AC	Kauffman 1-9 LT Oil	Gas	Old		-	4,854	2	50	4,854										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-109AC	Kauffman 1-9 LT Oil	Gas	diff		-	(2,042)	(3)	51	(2,042)											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-109AC	Kauffman 1-9 LT Oil	Gas	New		-	4,468	4	52	4,468											
FE-109AC	Kauffman 1-9 LT Oil	Gas	Old		-	8,561	5	53	8,561										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-109AC	Kauffman 1-9 LT Oil	Gas	diff		-	(4,092)	(1)	54	(4,092)											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-109AG	Kauffman 1-9 LT Gas	Gas	New		1,627	207	7	55	1,834	8,330										
FE-109AG	Kauffman 1-9 LT Gas	Gas	Old		1,511	369	8	56	1,881	6,335									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-109AG	Kauffman 1-9 LT Gas	Gas	diff		115	-	162	57	277	(1,765)										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-109AG	Kauffman 1-9 LT Gas	Gas	New		325,289	-	22,485	58	147,774	152,242										
FE-109AG	Kauffman 1-9 LT Gas	Gas	Old		124,013	-	22,210	59	146,222	154,783									Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-109AG	Kauffman 1-9 LT Gas	Gas	diff		1,276	-	275	60	1,552	(2,541)										Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-109C	Kauffman 1-9 UT Condensate	Cond	New		740	1,128	4,656	61	6,524											
FE-109C	Kauffman 1-9 UT Condensate	Cond	Old		684	649	782	62	4,614										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-109C	Kauffman 1-9 UT Condensate	Cond	diff		56	479	(3,126)	63	1,910											Allocation (-) by 3 Steps: Plant Total => After Separator => Well
FE-109C	Kauffman 1-9 UT Gas	Gas	New		145	588	5,008	64	5,741											
FE-109C	Kauffman 1-9 UT Gas	Gas	Old		804	147	1,115	65	9,648										Allocation (-) by 3 Steps: Plant Total => After Separator => Well	
FE-109C	Kauffman 1-9 UT Gas	Gas	diff		(2)	(528)	(3,377)	66	(3,906)											Allocation (-) by 3 Steps: Plant Total => After Separator => Well

ALLOCATION INVESTIGATION



April 23, 2019

DAVE SCHWARZ

OIL & GAS FIELD INSPECTOR

IDAHO DEPARTMENT OF LANDS

ATTACHMENT 3

GENERAL BACKGROUND

Wells produce

2 hydrocarbon streams generically referred to as
gas & condensate

2 streams are processed into **3 marketable products:**

Residue Gas

Natural Gas Plant Liquids

Plant Condensate

Volumes of these 3 products are then **ALLOCATED**
back to each well completion

ALLOCATION : The system by which ownership of oil, gas, & produced water is determined & tracked from point of production to a point of sale or discharge

Although the principles of allocation are straightforward, the **details are highly complex**

*equivalent volume of source x
attributable to the inlet of tier K delivered
to sink y on the outlet of tier K :*

$$V_{x_{K-1} \rightarrow y_K} = \sum_{i=1}^I \frac{V_{x_{K-1},i}}{\sum_{x_{K-1}=1}^{X_{K-1}} V_{x_{K-1},i}} \cdot V_{y_K,i}$$

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In 2018, OGCC noted discrepancies in reported volumes of Residue Gas & Plant Condensate

Residue Gas: derived from Rich Gas

Rich Gas: transported from wellheads thru Little Willow Gathering Facility, thru the 11 mile long gas pipeline, to Hwy 30 Plant

Hwy 30 Plant extracts *Natural Gas Plant Liquids* from *Rich Gas*, & delivers Residue Gas at outlet

Plant Condensate: derived from Well Condensate

Well Condensate: transported from wellheads thru Little Willow Facility, thru 11 mile long condensate pipeline, thru Hwy 30 Plant

Alta Mesa discovered a systematic error in an equation used in some steps of allocation process

- Eq. scales vols of Plant Condensate allocated to gas & liquid streams leaving Little Willow Facility & entering Hwy 30 Plant
- Allocations of Natural Gas Plant Liquids not affected by error

C3 bbl	lc4 bbl	Nc4 bbl	lc5 bbl	Nc5 bbl	C6 bbl
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2.10	20.0				
0.12	2.1				
-	-				
0.30	3.17	17.15	29.20	42.40	
0.02	0.44	2.90	12.90	17.91	
0.02	0.2				
0.00	0.00				
1.24	11.84				
0.04	0.80				
4.83	47.6				
0.31	6.37				
8.99	92.65	514.84	966.43	1284.77	

$$V_{x,m,i \rightarrow y,l} = \frac{V_{x,m,i}}{\sum_{x=1}^X \sum_{m=1}^M V_{x,m,i}} \cdot V_{y,l}$$

$$V_{i \rightarrow y} = \sum_{x=1}^X \sum_{m=1}^M \frac{V_{x,i}}{\sum_{x=1}^X V_{x,i}} \cdot V_{y,l} = V_{y,l}$$

					bc3 bbl	total bbls
					-	-
					-	-
					2.85	910.83
					265.66	2,136.85
					-	-
					0.32	170.85
0.00	0.30	16.82	5.41	57.24	490.58	
0.00	0.00	0.46	0.01	0.03	16.58	
					0	0.54
					8	738.22
					7	1,237.96
					4	1,692.73
					6	4,701.21
0.02	12.84	461.89	63.84	1032.72	12096.36	

$$V_{x,m \rightarrow y} = \sum_{i=1}^I \frac{V_{x,m,i}}{\sum_{x=1}^X \sum_{m=1}^M V_{x,m,i}} \cdot V_{y,l}$$

$$V_{i \rightarrow y} = \sum_{x=1}^X \frac{V_{x,i}}{\sum_{x=1}^X V_{x,i}} \cdot V_{y,l}$$

$$V_y = \sum_{i=1}^I V_{i \rightarrow y} = \sum_{x=1}^X \sum_{m=1}^M V_{x,m \rightarrow y}$$

Error = Mismatched Stream Analysis Reference of Components From Lab Analyses

Example Hydrocarbon Analysis

closeup next slide

Components	Mole %	Weight %	Liq. Vol. %
Carbon Dioxide.....	0.0853	0.1450	0.0687
Nitrogen.....	0.0281	0.0304	0.0146
Methane.....	64.2964	39.8359	51.4398
Ethane.....	14.4191	16.7445	18.1980
Propane.....	11.9911	20.4207	15.5901
iso-Butane.....	2.5568	5.7392	3.9483
n-Butane.....	3.8382	8.6156	5.7104
iso-Pentane.....	0.9367	2.6100	1.6166
n-Pentane.....	0.9036	2.5178	1.5457
Cyclopentane.....	0.0519	0.1405	0.0725
n-Hexane.....	0.2551	0.8490	0.4950
Cyclohexane.....	0.0463	0.1505	0.0743
Other Hexanes	0.2743	0.9130	0.5324
Heptanes.....	0.0865	0.3347	0.1883
Methylcyclohexane.....	0.0301	0.1141	0.0571
2,2,4-Trimethylpentane...	0.0951	0.4195	0.2332
Benzene.....	0.0247	0.0745	0.0326
Toluene.....	0.0104	0.0370	0.0164
Ethylbenzene.....	0.0007	0.0029	0.0013
Xylenes.....	0.0062	0.0254	0.0113
C8+ Heavies.....	0.0634	0.2797	0.1533
Totals	100.0000	100.0000	100.0000

Error = Mismatched Stream Analysis Reference of Components From Lab Analyses

Incorrect Allocation: applied equiv. Liq. Vol. %

<u>Components</u>	<u>Mole %</u>	<u>Weight %</u>	<u>Liq. Vol. %</u>
Carbon Dioxide.....	0.0853	0.1450	0.0687
Nitrogen.....	0.0281	0.0304	0.0146
Methane.....	64.2964	39.8359	51.4398

Correct Allocation: applied Mole %

GENERAL ALLOCATION METHOD

Individual well completions are allocated their shares of products (Plant Cond, Residue Gas, & NGPL) produced by Hwy 30 Plant by a **1-, 2-, or 3-step allocation method**

Methods differ in # of steps because of technical, operational, or financial constraints assoc. with location of each well in relation to production process

Each step uses component volumes derived from lab analyses that are used to scale the contribution of each well completion to total of each product

One Step Allocation = DJS 1-15

Hwy 30 Plant totals are allocated **to** DJS 1-15 in a one-step process

Fluid stream from DJS 1-15 undergo 3-phase gravity separation & metering at the well pad

The 2 liquid hydrocarbon streams **do not** go to Little Willow

But directly into the 2 separate pipelines that transport Well Condensate & Rich Gas from Little Willow to Hwy 30 Plant

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Two Step Allocation: Kauffman 1-9 LT, Kauffman 1-9 UT, ML 1-10, ML 1-11 UT, ML 1-11 LT, ML 2-10 & ML 3-10

Step 1: Hwy 30 Plant totals *to* Little Willow Facility totals

Step 2: Little Willow Facility totals (minus totals from the “multi wells” discussed next) *to* these individual well completions

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CONSERVATION COMMISSION

3 Step Allocation. 3 wells with partial federal mineral ownership: **ML 1-3, ML 2-3, & Kauffman 1-34**

Step 1: Hwy 30 Plant totals *to* Little Willow Facility totals

Step 2: Little Willow totals *to* “multi well” totals. Each well fluid stream undergoes 3-phase grav. sep. & metering for each well at each well pad -- *not* at Little Willow Facility. Then, the 3 streams (water, HC liquids, & HC gases) from the 3 wells (9 total fluid streams) are combined into 1 gathering line, which runs to the Multi-Well (MW) 3-phase sep. located at Little Willow Facility. MW separator creates 3 fluid streams (water, HC liquids, & HC gases), each individually metered.

Step 3: The MW HC stream totals are allocated *to* individual well completions

Attachment 1 (“McFarland datasets”)

Allocation datasets produced for Alta Mesa by petroleum engineer S. McFarland. Received on Apr 1, 2019 by O & G Div

McFarland datasets contain:

Monthly results & yearly summations of:

- original (“old”) allocation method (2015-18)
- corrected (“new”) allocation method (2016-18)
- differences between the two methods (2016-18)

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Attachment 2 (“IDL Review datasets”)

- Only the yearly summations of the McFarland datasets
- color-coding of datasets for ease of review,

Meter No.	Meter Name	Product	Allocation	2016 Total	2017 Total	2018 Total	row	2016-2018 Total by We
		Product	Metho					
FE-111AC	ML 1-11 UT Condensate	Cond	New	12,804	8,807	7,033	1	28,645
FE-111AC	ML 1-11 UT Condensate	Cond	Old	11,979	6,114	4,645	2	22,738
FE-111AC	ML 1-11 UT Condensate	Cond	diff	825	2,693	(2,389)	3	1,130
FE-111AC	ML 1-11 UT Condensate	Gas	New	7,953	3,661	2,590	4	14,204
FE-111AC	ML 1-11 UT Condensate	Gas	Old	7,685	7,892	6,222	5	21,798
FE-111AC	ML 1-11 UT Condensate	Gas	diff	268	(4,230)	(3,632)	6	(7,594)
FE-111AG	ML 1-11 UT Gas	Cond	New	8,996	7,672	6,194	7	22,861
FE-111AG	ML 1-11 UT Gas	Cond	Old	8,742	10,695	9,569	8	29,006
FE-111AG	ML 1-11 UT Gas	Cond	diff	254	(3,024)	3,376	9	606
FE-111AG	ML 1-11 UT Gas	Gas	New	828,451	721,620	559,782	10	2,109,853
FE-111AG	ML 1-11 UT Gas	Gas	Old	826,762	716,022	554,359	11	2,097,143
FE-111AG	ML 1-11 UT Gas	Gas	diff	1,689	5,598	5,423	12	12,710

Attach. 2 (“IDL Review datasets”)

additional summations by Plant Condensate & Residue Gas
 new, old, difference, % difference

2016 - 2018 Totals by Well Completion							
Plant Condensate (BBL)				Residue Gas (MMBtu)			
New (1+7)	Old (2+8)	Difference (3+9)	% Difference	New (4+10)	Old (5+11)	Difference (6+12)	% Difference
51,506							
	51,744						
		1,735	3%				
				2,124,058			
					2,118,941		
						5,116	0%

Bottom of Attach. 2 shows 2016-18 grand totals of all wells for:

2016-2018 Totals All Wells of Plant Condensate (BBL)		
New	Old	Difference
313,357	313,357	0

2016-2018 Totals All Wells of Residue Gas (MMBtu)		
New	Old	Difference
11,304,665	11,304,667	(2)

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Attach. 2 : new corrected allocation shows reasonable variances by well completion in % differences to old allocation results

Except for Kauffman 1-9 LT: **-28 % difference** in **Plant Condensate**

Plant Condensate (BBL)			
New (1+7)	Old (2+8)	Difference (3+9)	% Difference
8,330	6,335	(1,765)	-28%

At this point in our investigation, the variances in % differences, including Kauffman 1-9 LT, are presumed to be related to the allocation error

QUESTIONS?

THANK YOU



Kaufmann 1-34 separator, meter system, & heater-treater

$$V_x = \sum_{m=1}^M \sum_{i=1}^I V_{x,m,i} = \sum_{i=1}^I V_{x,i} = \sum_{i=1}^I V_{x,i} \cdot \frac{V_i}{V_i} = \sum_{i=1}^I V_{x,i} \cdot \frac{\sum_{y=1}^Y V_{y,i}}{\sum_{x=1}^X V_{x,i}}$$

$$V_x = \sum_{i=1}^I \frac{V_{x,i}}{\sum_{x=1}^X V_{x,i}} \cdot \sum_{y=1}^Y V_{y,i}$$

The equivalent volume contributed by source x is equal to the contribution of component i from source x relative to the contributions of component i from all sources, multiplied by the receipts of component i by all sinks, summed over all stream components.