

## Corinne Prindle

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**From:** Maggie Mallea  
**Sent:** Wednesday, September 26, 2018 5:01 PM  
**To:** Corinne Prindle  
**Subject:** FW: IDL Docket No. CC-2017-OGR-01-002  
**Attachments:** NDA.Kauffman.5.29.18.doc

**From:** Michael Christian <mchristian@mch-lawyer.com>  
**Sent:** Tuesday, May 29, 2018 10:17 AM  
**To:** Randy Kauffman [REDACTED]  
**Cc:** Maggie Mallea <maggie@rischpisca.com>; Wade Moore III <wade.moore@AltaMesa.net>  
**Subject:** IDL Docket No. CC-2017-OGR-01-002

Mr. and Mrs. Kauffman –

I have a substantial volume of documents from AM Idaho available for your review pursuant to your request under Idaho Code 47-332(4). Please let me know when you are available to come to our offices to review them. They include:

- Monthly ARM purchaser statements
- Monthly llocation statements
- Analysis for related wells
- Measurement statements for related wells
- Field Schematic
- Daily production records
- Field measurements for well tests

This is essentially the same categories of records that were produced to IDL's consultant when it performed a similar review for wells in which the state owns a royalty interest. Because many of the records (as produced by third parties to AM) include information for all of AM's producing wells, not just those which are the subject of the review, IDL's consultant entered into a nondisclosure agreement (NDA) to protect the AM's proprietary information. I have modified the NDA for use in your review. It is attached. Please sign and return it, and I will have a representative of AM sign it and provide you with a fully signed copy.

The records being produced by AM are in digital form. I can have a laptop available for your use to review them from a thumb drive. Please let me know if you would rather review paper copies, so that I can have my assistant print them.

I am copying Jason Risch's assistant with this email so he is informed of our communication.

Please give me a call or email me if you have any questions.

Thanks,

**Michael Christian**  
**Marcus, Christian, Hardee & Davies LLP**  
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## **NONDISCLOSURE AGREEMENT**

This non-disclosure agreement (“Agreement”) is between AM Idaho, LLC, a Texas limited liability company (“Discloser”) and Randall and Thayna Kauffman, husband and wife (“Recipient”), and is effective as of the date last signed below.

### **I. RECITALS**

- A. Recipient has requested to review certain trade secret, confidential and proprietary records of Discloser regarding gross production, disposition and market value of production from wells in which Recipient holds a royalty interest (“the Information”), pursuant to Idaho Code §47-332(4).
- B. Certain of the documents included in the Information contains similar trade secret, confidential and proprietary information regarding wells in which Recipient does not own a royalty interest.
- C. Discloser is willing to disclose the Information and Recipient is willing to review the Information on the terms and conditions set forth herein.

### **II. AGREEMENT**

Therefore, Discloser and Recipient agree, as follows:

- 1. “Information” includes any information, in any format, treated by Discloser as, or considered by Discloser to be, confidential, secret, or proprietary, whether or not protected by copyright, patent, trademark, or similar protection.
- 2. The disclosure of Information by Discloser is in strictest confidence and thus Recipient will:
  - a. (1) Not disclose to any other person the Information, except as set forth herein; and (2) use at least the same degree of care to maintain the Information secret as the Recipient uses in maintaining as secret its own secret information, but always at least a reasonable degree of care;
  - b. Use the Information only for the above purpose, and not for any other purpose, including but not limited to competing directly or indirectly with Discloser in any manner or assisting any other person or entity in such competition;
  - c. Restrict disclosure of the Information solely to those employees, advisors, accountants, attorneys, or other contractors of Recipient having a need to know such Information in order to accomplish the purpose stated above;
  - d. Advise each such person, before he or she receives access to the Information, of the obligations of Recipient under this Agreement, and require each such

person to maintain those obligations, including but not limited to in the event of the person's departure from the Recipient's employment or service; and

e. Within ten (10) days following request of Discloser or the completion of the purpose set forth above, return to Discloser all documentation, copies, notes, diagrams, computer memory media and other materials containing or reflecting any portion of the Information, or confirm to Discloser, in writing, the destruction of such materials.

3. Unless otherwise specified by Discloser, any communication of information from Discloser to Recipient shall be considered Information subject to this Agreement.

4. This Agreement imposes no obligation on Recipient with respect to any portion of the Information received from Discloser which: (a) (1) was known to the Recipient prior to disclosure by Discloser and (2) as to which the Recipient has no obligation not to disclose or use it; (b) is lawfully obtained by the Recipient from a third party under no obligation of confidentiality; (c) is or becomes generally known or available other than by unauthorized disclosure; (d) is independently developed by the Recipient; or (e) is generally disclosed by Discloser to third parties without any obligation on the third parties.

5. The Information, and any alterations or improvements made to the Information while such Information is in Recipient's possession, shall remain the sole property of Discloser. No license is granted to Recipient for the use of the Information other than for the specific purposes set forth in this Agreement. No license is granted to Recipient in any of Discloser's intellectual property.

7. In the event of a breach or threatened breach or intended breach of this Agreement by Recipient, Discloser, in addition to any other rights and remedies available to it at law or in equity, shall be entitled to preliminary and final injunctions, enjoining and restraining such breach or threatened breach or intended breach.

8. The rights and obligations of Recipient under this Agreement may not be sold, assigned or otherwise transferred.

9. If any legal proceeding relating to this Agreement occurs, the prevailing party shall be entitled to recover from the other party (in addition to any other relief awarded or granted) its reasonable costs and expenses, including attorney's fees, incurred in the proceeding.

11. This Agreement is binding upon Discloser and Recipient, and upon the directors, officers, employees and agents of each. This Agreement is effective as of the later date of execution and will continue indefinitely, unless terminated on thirty (30) days written notice by either party. However, Recipient's obligations of confidentiality and restrictions on use of the Information disclosed by Discloser shall survive termination of this Agreement.

12. Nothing in this Agreement shall obligate or otherwise commit the parties in any way, directly or indirectly, to initiate, produce, or complete any further agreement, or any other observation, study, analysis or report, or to take any other action not specified herein.

DISCLOSER:  
AM Idaho LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

RECIPIENT:

\_\_\_\_\_  
Randall Kauffman

\_\_\_\_\_  
Thayna Kauffman

Date: \_\_\_\_\_