

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. 6<sup>th</sup> 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