

Illinois Oil and Gas Advisory Board
Meeting Minutes
May 10, 2018

Voting Board Members in Attendance

Bryan Dicus, Chairman
Kyle Kingston, Vice Chairman
Casey Lampley, Secretary
Stephanie Storckman
Bob Herr
Steve Persinger
Larry Miller

Non-Voting Board Members in Attendance

Mike Mankowski, OOGRM Director
Craig Hedin, IOGA President
Jarred Tynes, IOGA Member

DNR-OOGRM Guests / Presenters in Attendance

Doug Shutt
Ronald Hutmacher
Ernie Kierbach

Guests in Attendance

Aneet Hundal, Ameren Illinois Gas Storage
Brad Richards, Bi-Petro
J. Nelson Wood, Wood Energy

- 1) Mr. Dicus called the meeting to order at 10:05am.
- 2) Ms. Storckman moved to approve last meeting's minutes. Seconded by Mr. Herr. Motion carried.
- 3) Round Table Discussion:

A) Update on Recent Rule Change - Sections 240.140, 240.150, & 240.160

Mr. Hedin suggested inserting language into 240.140 to extend NNC period, not exceeding the 120 day period already in place.

Mr. Hedin also suggested that 240.150 c) 2) contains the vague language "maintain equipment" and he would like to see it more objectively described. Mr. Mankowski indicated that he will work on the language.

Mr. Hedin suggested that the language in 240.150 c) 6) also included the vague language "received warning" and would like it more clearly defined, such as warning from who, in what

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manner, etc. Mr. Mankowski asked the board if the whole itemized list should be scrapped, and he indicated that the purpose of the list was give a standardized guide to field staff and what operators can expect.

Mr. Kingston sought clarification on the language “threatened” in 240.150 c) 3). Mr. Mankowski clarified by giving the example of impounded fluid in a firewall - something that could cause damage.

Mr. Dicus sought clarification on the wording “created a hazard” in 240.150 c) 4). Mr. Hutmacher clarified with the example of low-hanging power lines. Mr. Mankowski further clarified with the example of a leak that threatens someone’s drinking water, and he also mentioned that it’s hard to itemize all scenarios. Mr. Mankowski said that he wants inspectors to note more details that potentially influence aggravated and/or mitigating factors.

Mr. Herr proposed adding language into 240.150 d) that encompasses vandalism. He gave examples of farmers plowing up lease roads, putting holes in tanks, opening valves, and other things that are outside of an operator’s control. Mr. Mankowski said that he thinks d) 3) takes care of this, but also said that the list could be itemized with more detail.

Mr. Tynes expressed concerns with operators receiving director’s decisions and possible fines before the operator has a chance to know the complete details of the violation. Mr. Mankowski said that the director’s decisions will be detailed, and operators have 30 days to provide mitigating factors. He also indicated that there was a timeframe to abate the director’s decision, and the possible fines could be low or withheld unless remedial work was not performed.

Regarding 240.160, Mr. Hedin asked how penalties are assessed, and when does a penalty start? Mr. Mankowski informed the board that the penalties are \$1000 per day, but the Department has leeway to go easier on good operators and punish bad operators. He also indicated that penalties start at the time of violation. Mr. Dicus and Mr. Kingston expressed concern that there could be a period of time where penalties could be accruing before an operator is aware of a violation. Mr. Mankowski acknowledged that concern, and he indicated that the Department will consider that when assessing penalties. Mr. Hedin suggested inserting language where penalties start when a permittee knew, or should have known, about a problem.

Mr. Mankowski and Mr. Kierbach would like to insert language that would allow e-mailing of Director Decisions to operators, and they are currently restricted to mailing them via USPS. They also would like immediate notifications to operators of a serious problem, and he also suggested the creation of a new form such as “NOAV - Notice of Alleged Violation” for quicker notifications to operators.

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Regarding 240.160 f), g), and h), Mr. Hedin expressed concern with the timeline for operators to provide mitigating factors to the Department versus the timeline for requesting a hearing. Mr. Mankowski would like to insert language so that the Department can extend timeframes if an agreement is reached so that a hearing can still be requested after the 30 day timeframe.

Mr. Hedin suggested removing the word "always" from 240.160 d). Mr. Mankowski responded that even if a permittee complies and/or abates a violation, a penalty can still be assessed.

Mr. Herr questioned language in 240.160 d) 3) and expressed that well-constructed installations should not cause a problem if there is pressure on the annulus. Mr. Mankowski said that would be a mitigating factor - if an operator could provide proof, such as cement bond logs to show cement top to bottom. He indicated that he couldn't take the language out because annulus pressure is an important tool the Department has to check for problems.

Mr. Hutmacher indicated that the USEPA is very serious about Class II UIC, and they want explanations as to why the Department chooses to waive a penalty. He said that mitigating factors provide this explanation.

Mr. Mankowski informed the board that he would revise the language and would like to vote on it at the next meeting. Mr. Dicus requested for the board to receive the changes earlier so the board has time to review the changes well before meetings. Mr. Mankowski agreed.

B) Form Amendments

Mr. Kierbach expressed his desire to move from a paper to electronic-based Temporary Abandon process. He said that an operator requesting to T/A a well would call the district office. The field inspector would then generate a report on-site and would be able to immediately grant or deny T/A status.

Mr. Kierbach also indicated to the board that he would like to eliminate unnecessary and/or redundant information, such as well construction, on various OG forms.

C) Workable Coal Bed

Mr. Shutt informed the board that oil and gas is no longer under the Office of Mines and Minerals, and anything dealing with coal is under the jurisdiction of OOMM. Mr. Mankowski indicated that if industry has an issue dealing with oil and gas as it relates to coal, then it needs to come up with a problem/solution and present it to the mining board.

4) New Business

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Ms. Storkman informed the board of the current IPRB status concerning document scanning.

Mr. Lampley informed the board of the current IPRB status concerning tank site restorations.

5) Public Participation

There was no public participation.

6) Next Meeting

The next Oil and Gas Advisory Board meeting was set for 10am on September 13, 2018, at the IOGA office in Mt. Vernon, IL.

7) Adjourn

Mr. Herr moved to adjourn. Mr. Persinger seconded. Motion carried. Meeting adjourned at 12:10pm.