

Illinois Oil and Gas Advisory Board

May 2, 2024, Meeting Minutes

Board members in attendance: Ross Basnett, Malcolm Booth, Brandi Stennett, Matt Davis, Justin Gesell, Shawn Perry, Brad Daugherty

Non-voting members in attendance: Dan Brennan (DNR)

IOGA Representatives: Jim Elder, Steve Lampley

DNR – OOGRM in attendance: Hernando Albarracin, Vanasa Brittin

Guests: Craig Hedin, Nelson Wood, Seth Whitehead, Bryan Dicus, Bert Farrara

1) Chair Ross Basnett called the meeting to order at 10:05 AM

2) Meeting Minutes Submission

A motion was made by Ms. Brandi Stennett to accept the minutes as proposed, with a second from Mr. Malcolm Booth and carried unanimously.

3) Round Table Discussion

a. Update on Administrative Rules

Rules submitted to Governor's office were approved and are now with legal review. The Department hopes to move them to JACAR quickly. Mr. Brennan also noted that the previously submitted changes for Coal notifications are part of the rules now. These rules are focused on fee changes.

b. Update on plugging of orphan wells (Infrastructure Investment and Jobs Act Grant)

Since 1/1/2024, 77 wells have been plugged for a total of 426 with an additional 54 work orders executed. A total of \$18.3 million spent on initial grant, and the Department is working on final approval for the next round of funding, hopefully, before July. The Department is seeking an additional \$20-\$25 million in the initial phase of the second round with \$9-\$10 million per year. The U.S. Department of the Interior working with all the states for future third round of funding called the Matching Grant which is based on the state's new fee structures with a possibility of \$30 million in additional funding. The next bidding cycle will hopefully begin in May or June 2024. The Department is trying to ensure they are gaining the proper checkoffs from other departments as wells are plugged. The Department also stated that the contractors being used seem happy with the Master Contract in place.

c. Update on Mitigating Emissions from Marginal Conventional Wells Grant with the U.S.

Department of Energy and U.S. Environmental Protection Agency

Mr. Brennan stated the ISGS and Department have the award but are working with the U.S. Department of Energy (DOE) to finalize it. The Illinois State Geologic Survey (ISGS) is working to get the first wells tested and analyzed but need the DOE to finalize the award. There will be a kick-off convention in June for all the states that are participating in the program. The ISGS received an initial grant for \$17 million, and those funds must be separate from the Orphan Well plugging program. The hope is to plug 300-350 wells with the grant funds. Any interested contractors would need to apply for the program, and there would be a separate contract. The ISGS has a preferred contractor for the testing and analyzing of the wells. The ISGS has built a website where there is more information, and wells can be volunteered for the program. Additionally, the Department stated they are trying to hire someone to manage the PRF program for the landowner grant program to utilize the \$250,000 in the fiscal year 2025 budget. The Department is also looking to see if they can increase the funding for landowner grant program through the increased fee structures.

4) New Business

a. Drilling Unit Designation Form for Revised Well Spacing Rules (62 Ill. Adm. Code 240.410)

The Department proposed a new form to designate a drilling unit to follow the new spacing rules.

b. Proposed amendment to 62 Ill. Adm. Code 240.1132

The Department proposed removing language from (f) stating “If the Department authorizes the permittee to conduct a fluid level test without the presence of a Department representative, the permittee shall report the fluid level test on a form prescribed by the Department,” and added language to match the TA status rules. Mr. Matt Davis made a motion to accept the changes, and Mr. Justin Gessel seconded. The motion carried.

c. Wells in Temporary Abandonment (TA) prior to Current TA Requirements [62 Ill. Adm. Code 240.1130(d)(3)] – use of cement in lieu of cast-iron bridge plug

The Department proposed removing language from (d) stating “If the Department authorizes the permittee to conduct a fluid level test without the presence of a Department representative, the permittee shall report the fluid level test on a form prescribed by the Department” and correct a misspelled word (f). Mr. Matt Davis made a motion to accept the changes in both parts ‘b’ and ‘c’, and Mr. Justin Gessel seconded. The motion carried.

In addition to the changes above, the Department stated initially that they would not allow wells that had been TA’s with a cement plug and no cast-iron bridge plug to be grandfathered in to the TA rules because, in their opinion, the cement did not meet the standard in place. The Department thought the use of cement was too permanent to be considered for temporary abandonment. After discussion with various Board members and other representatives of industry present, it was decided that the Board could propose grandfathering language or language to accept either cement or bridge plug. The Department will discuss internally and keep this on the agenda for the next meeting while the Board also investigates new language.

5) Public Participation

a. Response time for from Department receiving permit applications

Mr. Malcolm Booth asked the Department representatives to confirm what the timeline is for a response from the Department after a permit application is submitted. The Department stated that it is 20 business days to issue a permit or respond to the request. Mr. Matt David asked if the OG-10 process has become more labor intensive. The Department stated that it slowed a little to train new employees, but overall, it hasn’t slowed much, and the new spacing rules have sped it up some.

b. Update on discussion of Kansas style drilling units

Mr. Matt Davis asked if the Department had discussed internally moving to a Kansas style drilling unit. The Department said they began internal discussions but got sidetracked and will get back to discussion. The item will stay on the agenda for the next meeting.

c. Turnaround time on TA approval

Mr. Nelson Wood stated it seemed like the turnaround time for TA approvals is taking a very long time. Could the Department discuss with the district offices about doing the scheduling for the TA’s? The Department stated that the process goes through Springfield office first to collect fees and then on to the district office. There was a technical glitch that has been resolved. The Department hopes to continue to shorten the length of time for approvals moving forward. The Department will pass along the discussion and add it to the agenda for the next meeting.

d. New inspectors requesting to see packers rerun

Mr. Matt Davis asked what to do if well inspectors changed in an area and the new inspector wants to see a well have the equipment pulled from it to witness the packer being ran back in the hole even though the previous inspector witnessed it and approved it. The Department discussed the specific incident offline.

6) Next Meeting

The following date is for the next meeting held in Mt. Vernon, IL at 10am CST:
August 8, 2024

Ms. Brandi Stennett made the motion to adjourn seconded by Mr. Matt Davis. Meeting adjourned.

Minutes Respectfully Submitted by Malcolm Booth – Secretary, IOGA Advisory Board