Illinois Oil and Gas Advisory Board

May 12, 2022 Meeting Minutes

Board members in attendance: Casey Lampley, Ross Basnett, Stephanie Storckman, Malcolm Booth (via phone), Brandi Stennett, Matt Davis, and Kenton Thomas (via phone)

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

IOGA Representatives: J. Nelson Wood, Jim Elder, Matthew McArthy, Jarred Tynes

DNR – OOGRM in attendance: Kendra Brokamp, Hernando Albarracin, Ernie Kierbach, Dan Lewis

Guests: Seth Whitehead, Destiny Marsh, Chuck Vendetti, Craig Hedin, Brad Richards, Robert Stewart

- Chairman Mr. Casey Lampley called the meeting to order at 10:06 AM. Roll call and introductions
- Meeting Minutes Submission Minutes from the February 2, 2022 meeting were approved. Motion was made by Ms. Stephanie Storckman and seconded Ms. Brandi Stennett was carried unanimously.
- 3) Round Table Discussion
 - A) Revisions to Forms OG-3, OG-4, OG-5, OG-9, OG-10, OG-14, and OG-18 Mr. Dan Brennan informed the board that the revisions of the forms are posted on the website. The changes made were previously approved by the board. He stated that the new forms would be emailed to the IOGA and the IOGA would send out an email to members informing them to use the new forms. Mr. McArthy asked about an electronic notice for the OG-10 for faster notice. Ms. Kendra Brokamp sand the DNR will not begin the review process until the payment is received. No other method of payment is offered besides checks and checks are mailed. Mr. Robert Stewart asked about ways to give notice to coal companies. Is USPS notification the only option or is UPS, FedEx, etc. an option. Mr. Brennan said that it would require a rule change to get a different notification method and an agreement with the mines and minerals. Mr. Jim Elder stated that he has received positive feedback from the industry on the DNR making the forms fillable.
 - B) Status of Proposed Revisions to the Regulations Mr. Brennan stated that SB 3626 passed. The oil and gas portion references the change in fees. It goes to the Governor for his signature and will be signed by July 5. The new TA rules are part of the bill under section 240.1130. The board asked for some clarification on some of the language referenced in the bill. Agenda item 3B is tabled until further review by the board. A special virtual meeting will be made at the closing of this meeting referring to changes 240.1130
 - C) Amendment to the Illinois Gas Act
 SB 3626 has been sent to the Governor and must be signed by July 5.

4) New Business

A. Discussion of New Spacing Rules

Mr. McArthy raised questions about the new 10-acre spacing. He stated that some locations are not drillable because of the old regulations. With the new 10-acre spacing rules, he asked the department to allow the operator to choose which drilling unit for the existing well that may lie on the 20- or 40-acre drilling unit from the prior spacing regulations. Mr. Brennan said the department will look into a solution.

B. Question About Information for UIC Applications

Mr. Matt Davis brought of an issue of due to old plugging requirements vs current AOR regulations for new injection wells. He stated the DNR would not give a rate because of possible cross flow potential because of an old plugged well even though the said plugged well had an OG-6 that was signed off by the DNR inspector. He asked what could be done about the issue and how to go about this type of issue in the future? The board agreed with Mr. Davis's concerns and stated the DNR needs to hold accountability since the old well was properly plugged by the standards set by the DNR and signed off by the DNR. Mr. Hernando Albarracin said the DNR will look into this issue and figure out a solution given the requirements were met and signed off by the DNR inspector.

Mr. Ross Basnett asked who from the DNR could make decisions and signoff on certain issues when the manager of the specific area of the department is out of the office and is hard to get in touch with because of remote working due to Covid? Mr. Brennan said to email issues to several DNR officials to resolve the issue.

5) Public Participation

No public participation

6) Next Meeting

Special meeting regarding SB-3626 section 240.1130 set for May 19, 2022 @ 10:00 AM via teleconference.

Next Advisory Board Meeting set for September 8, 2022 at 10:00 AM

Ms. Stephanie Storckman made the motion to adjourn seconded by Ms. Brandi Stennett at 11:21 AM. Meeting adjourned.

Minutes Respectfully Submitted by Ross Basnett - Secretary IOGA Advisory Board

Illinois Oil and Gas Advisory Board

May 19, 2022 Special Meeting Minutes

Board members in attendance: Casey Lampley, Ross Basnett, Stephanie Storckman, Malcolm Booth, Brandi Stennett, Matt Davis, and Kenton Thomas

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

IOGA Representatives: J. Nelson Wood, Jim Elder, Matthew McArthy

DNR – OOGRM in attendance: Hernando Albarracin, Ernie Kierbach

Guests: Craig Hedin

1) Chairman Mr. Casey Lampley called the meeting to order at 10:02 AM via teleconference.

Roll call and introductions

2) Proposed Revisions to the Regulations

Ms. Stephanie Storckman, referring to paragraph G of section 240.1130 in the regulations, asked if any extensions would be granted? Mr. Dan Brennan said there has not been a change regarding the cement regulations. Extensions will be looked at on a well-by-well case to potentially grant an extension based on the well's location, type of work to be done, time of year, etc.

Paragraph K of section 240.1130 was brought up by several board members for the board to understand the intent behind the language used to describe paragraph K. Mr. Brennan said the intent is to get away from operators using the phrase "future use" on the reasoning to TA a well. Ms. Storckman asked if the department can dispute the geological/engineering evidence and who from the department will review it? Mr. Brennan said that a hearing can be requested if a TA is denied. Mr. Casey Lampley wanted to reiterate that the new changes had already been agreed upon between IOGA representatives/the DNR/the Governors office. Mr. Lampley also noted he would like to see more of a guideline of what industry standards are. Mr. Lampley then asked for a motion to approve section 240.1130. A motion was made by Mr. Malcolm Booth with a second from Ms. Brandi Stennett.

Mr. Brennan listed off the fee increases that were also previously negotiated between the IOGA representatives, DNR, and governors' office. Mr. Nelson Wood noted that regarding the TA fees, ½ will go to the PRF program and the other half to the landowner grant program. These fees will also be lock boxed to ensure they will be used to plug future wells. Mr. Lampley asked for a redline version of all of the changes made. Since everything was previously negotiated a motion was made by Ms. Stephanie Storckman to proceed with a vote to accept the new regulations with the increase in fees. This motion was seconded by Mr. Ross Basnett. Motion carried unanimously.

3) Public Participation

No public participation

4) Next Meeting

Next meeting scheduled for September 8, 2022 at 10:00 AM at the Mt. Vernon, IL IOGA Office

Mr. Casey Lampley made the motion to adjourn seconded by Ms. Stephanie Storckman at 10:46 AM. Meeting adjourned.

Minutes Respectfully Submitted by Ross Basnett - Secretary IOGA Advisory Board