

Illinois Oil and Gas Advisory Board

September 15, 2022 Meeting Minutes

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

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, Ron Hutmacher, Kyle Fitzpatrick

Guests: Seth Whitehead, Craig Hedin, Brad Richards, Chris Cantrell

- 1) Vice Chairman Ms. Stephanie Storckman called the meeting to order at 10:06 AM.
Roll call and introductions
- 2) Meeting Minutes Submission
Minutes from the May 12, 2022 meeting were approved. Motion was made by Ms. Brandi Stennett with a second from Mr. Malcolm Booth and carried unanimously.
- 3) Round Table Discussion
No Updates or anything new
- 4) New Business
 - A. Proposed Revisions to the Oil and Gas Regulations to Public Notice
Mr. Dan Brennan explained the timeframe for comments and questions for the Public Notice process. He also mentioned adding language to 240.875. This topic is also on the agenda for the December meeting along with adding language to expand the AOR with emergency rules.
 - B. Use of another mail delivery service besides United States registered mail (U.S.P.S.) to comply with 62 Ill. Adm. Code 240.1305(a) and (b)
The Department is meeting with the Office of Mines and Minerals and will have something figured out for the December meeting.
 - C. NOV/DD Procedures and Operator Notification
Mr. Craig Hedin wrote an article for Mineral Law Newsletter regarding the Directors Decision (DD) process. Mr. Matthew McArthy said he has had comments from operators on a long timeframe from NOV to DD. Mr. Hutmacher gave an update on what percentage of DD's are remaining to be sent out. Since 2020, they have nearly doubled every year the amount of DD's issued. The DD provides due process of an appeal. The notification was explained from NOV to DD. Mr. Nelson Wood asked who decides to vacate the DD on a

violation that was not an NOV? Mr. Hutmacher said the inspectors have the authority to vacate if an error has occurred. Mr. McCarthy asked if there is a scale to calculate the violation fine amounts to be paid by the operator. No scale is available.

D. 62 I11 Adm. Code 240.1130 of the regulations as to methods, information, and procedures used by DNR when granting or denying T/A requests

Tabled until the December meeting

E. New 10-acre spacing rule – previously permitted well adheres to prior drilling unit spacing regulations on 20- and 40-acre tracts and creates non-drillable locations under the new 10-acre spacing rule

The department is open to adding to or changing the language of this rule to address the issue. Until then they will deal with these issues on a case-by-case basis. Tabled until the December meeting.

F. Old plugging requirements vs current AOR regulations for new injection wells. OG-6s for older plugged wells that were signed off by a DNR inspector have not held up to DNR scrutiny when assessing the AOR for a new injection well

Mr. Matt Davis brought up issues he was having with OG-6s with the new cone formula in the AOR. The department said this is being handled on an isolated basis and each future occurrence will be handled on a case-by-case basis.

G. Infrastructure Investment and Jobs Act Grant Award

Mr. Brennan stated that on 8/24/22, ILDNR received \$25 million to plug and abandon previously abandoned wells. The state will be divided into 10 zones with bid being taken on each zone. The program starts on October 1. Mr. Mark Merrit is going over the list of wells to classify them based on risk and environmental hazards. The plan is to plug 200-400 wells per year. The DNR chooses which wells to plug. Winning bidder of each zone has the right to pass on the work will be offered to the next bidder. Mr. Wood asked about the Landowner Grant Program and how it plays a role in this. Mr. Brennan said they are working to provide more staff for that to take place with \$2.5 million for administrative personal. The department will work with the PRF and LGP.

H. Certification Statements

Ms. Stephanie Storckman questioned the OG-10 regarding why the DNR needs to ask if operators have authority to drill on the lease and each zone? Mr. Hernando Albarracin stated that it comes up about 80% of the time with the permitting department to ensure the operator has authority to drill. Ms. Storckman argues that it removes the DNR from liability by having the operator say they have the right to drill/produce. No other comments were made on the issue.

5) Public Participation

No public participation

6) Next Meeting

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

Mr. Ross Basnett made the motion to adjourn seconded by Ms. Stephanie Storckman at 12:15 PM.
Meeting adjourned.

Minutes Respectfully Submitted by Ross Basnett - Secretary IOGA Advisory Board