

Illinois Oil and Gas Advisory Board

September 23, 2020 Meeting Minutes

Board members in attendance: Bryan Dicus, Ross Basnett, Steve Persinger, Malcolm Booth and Larry Miller. Casey Lampley and Stephanie Storckman were absent.

Non-voting members in attendance: Dan Brennan (DNR), Craig Hedin, Seth Whitehead

DNR – OOGRM in attendance: Hernando Albarracin, Kendra Brokamp, Ernie Kierbach, Kyle Fitzpatrick

Guests: Matthew McArthy and Nelson Wood

1) Chairman Dicus called the meeting to order at 10:07 AM.

2) Meeting Minutes Submission

Minutes from the June 18/25, 2020 meeting were approved. Motion was made by Mr. Steve Persinger and seconded by Mr. Larry Miller. Motion was carried unanimously.

3) Round Table Discussion

A) 10 Acre Spacing:

Mr. Dan Brennan asked if the board was good with using the Galena Group as the marker for Rule 240.410 instead of using the Trenton? What about the spacing for the horizontal wells in Rule 240.455? Mr. Craig Hedin said it should remain the same with all oil wells vertical or horizontal (Rule 240.410 and 240.455) be 10-acre spacing. Mr. Bryan Dicus agreed from a producer's standpoint. Mr. McArthy clarified that if 10-acre spacing throughout was granted for oil wells then the Galena Group as a marker would only be needed for gas wells. Mr. Brennan clarified that the next step would be for the language to be sent on to the Secretary of States office for their series of Public Notices. If no objections, then it will come back to the DNR to be sent to JCAR. Mr. Larry Miller expressed interest about what the spacing changes would mean for landowners. Explanations from Mr. Dicus, McArthy and Hedin stated that no major changes would take place except for the possibility of more wells. The motion to forward the language onto the Secretary of State for of their series of Public Notices was made by Mr. Ross Basnett and seconded by Mr. Steve Persinger. Motion approved.

B) Notice to Coal Owners

Office of Mine and Minerals Director has passed away and a new director has not yet been selected. The office of Mine Safety was notified of the proposed changes. The DNR says there is still confusion on when the notice would start if other notice delivery methods are

to be used. Mr. Craig Hedin is going to prepare new language to be used to have on the topics list for the November 5, 2020 meeting.

C) Use of Terms “Formation” vs “Pool” in Regulations

Mr. Brennan informed the board of an Audit from the US EPA that was submitted to the DNR in September that gave notice of potential number of changes to injection wells. Mr. Kyle Fitzpatrick discussed two of the changes to be made. First on the list is a change made to the maximum injection pressure when using the ISIP from a completion or workover. The proposed change is to lower the percent from 90% of the ISIP to 82%. The second potential change was regarding the injection rate. Rather than using the entire formation thickness in the well the change would be limit the rate calculation to only use the number of perforated feet within that formation in cased hole wells or a value equal to or less that 20% of the open hole interval. The board responded with objections throughout stating those changes could be costly and detrimental to the oil and gas industry and operators for several reasons. No reasons were given from the EPA of why changes needed to be made other than the breakout in older wells. The audit said that studies have shown that these changes could help the breakout issues, but those studies were not referenced or given with the audit. Mr. Hedin asked for a copy of the audit to be submitted to the Advisory Board for review. Mr. Nelson Wood asked the DNR to try and put a number on the breakout wells to see how many of said breakouts were on wells in the PRF Program vs active leased wells? As for the Use of Terms “Formation” vs “Pool” language that was previously submitted for changes, the DNR would like to hold off on any changes until some clarification from the EPA on the UIC wells has been made. They asked the board to table the “Formation” vs “Pool” topic until the November 5, 2020 meeting.

D) Revised Language to 240.360(b)

Mr. Brennan said the department does not think a revision of 240.360(b) is necessary for the area of review. Mr. Craig Hedin respectfully disagreed stating that the DNR should consider the opinions of experts in this area equally to the other items on the area of review list since these experts deal with these issues/projects daily. Mr. McCarthy and Mr. Hedin added as a compromise to add to the language to accept expert opinions as to geological and engineering opinions. Mr. Hedin is going to rework the language and send it to the DNR to be on the topic list for the November 5, 2020 meeting.

4: New Business:

UIC Wells on the topic discussed with the EPA governing these wells in the discussion from Formation vs Pool created a New Business Topic that will be added to the November 5, 2020 meeting.

5: **Public Participation:**

Mr. Matthew McArthy brought to the Board and the DNR on an issue he was having with a client who is being denied a permit transfer from the DNR because of not having an operating agreement with a 1/6 WI owner. He wanted to have this topic on the November 5, 2020 meeting.

6: **Next Meeting:**

November 5, 2020 at 10:00 AM.

Mr. Steve Persinger made the motion to adjourn seconded by Mr. Ross Basnett at 11:09 AM.