

Illinois Oil and Gas Advisory Board

January 25, 2024, Meeting Minutes

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

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

IOGA Representatives: Matthew McCarthy, Jim Elder

DNR – OOGRM in attendance: Hernando Albarracin, Vanasa Brittin, Ernest Kierbach, Kendra Brokamp

Guests: Stephanie Storckman, Mike Payne, Casey Lampley, Kaler Houzenga, Travis Thompson, Nelson Wood, Seth Whitehead, Brad Richards, Bryan Dicus, Jonathan Runyon, Bert Farrara, Nathan Webb

- 1) Chair Ross Basnett called the meeting to order at 10:09 AM
- 2) Meeting Minutes Submission

Minutes from the November 2023 meeting were submitted. Mr. Dan Brennan proposed an amendment to the minutes. A motion was made by Ms. Brandi Stennett to accept the proposed amendments, with a second from Mr. Malcolm Booth and carried unanimously.

- 3) Round Table Discussion

- a. Update on Administrative Rules

Mr. Brennan stated that 3 rules have been submitted to the Governor's office for approval. The rules have been published for first notice, and the Department is hoping the second notice will be to JACAR at the end of February to make them part of the Administrative Code. A link for the proposed rules has been published on the Department's website.

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

The department provided an update on the program. The program is still under the initial grant. \$13 million in invoices have been received. Only \$19.8 million will be spent of the full \$25 million. At least 350 wells have been plugged and the remaining funds will be used in the next fiscal year. The Department has submitted the application for the next round of funding for \$36 million over years. The department will use the same billing system for the contracts, and they are hoping to have bids out in late March. The department is working with Procurement to review the master service agreement for any potential changes. Mr. Mark Merrit retired from the department at the end of 2023 but will be coming back on contract to assist with the program. The Department is looking to fill that role permanently. There are another 130 proposed work orders for additional wells. Some of the contracts will overlap fiscal years. The first \$9 million in spend will be in fiscal year 2024 beginning in July 2024. AS the program has progressed the average cost per well plugged has increased. The department is hoping to have more than 6 contractors moving forward.

- 4) New Business

- a. Illinois State Geological Survey presentation on Mitigating Emissions from Marginal Conventional Wells Grant with US Department of Energy and US EPA

The ISGS gave a presentation on a program to measure and reduce fugitive emissions for marginal wells in the IL. The ISGS hopes to begin the process of volunteering wellbores later in 2024.

- b. Updated form OG-10

Mr. Albarracin stated that after the well fees increased one year ago, the department found some items that needed amended in the form. N the new fee will only apply to certain wells and those will now be listed there.

- c. Update to Admin Rules for fee changes in 2022. Includes 62 Illinois Administrative Code sections 240.905(b), 240.1132, 240.1205(b), 240.1830(b), 240.1905(b).

Mr. Dan Brennan stated the Department missed a few of the regulations for reflecting the new fee changes in 2022. 240.905(b) will change from \$100 to \$150. 240.1205(b) will change from \$300 to \$400. 240.1830(b) will change from \$300 to \$400. 240.1905(b) will change from \$300 to \$400. 240.1132 is still under review and may or may not be apply, but the Department believes it does apply.

5) Public Participation

a. New Form for New Well Spacing Rules

Mr. McCarthy asked if the department has started working on a new form. The Department stated there is no new form yet, but they hope to have one before the next Advisory Board meeting and will try to have one before the IOGA Convention in March.

b. Use of Cast Iron Bridge Plugs (CIBPs) in TA's Wells

Mr. Ross Basnett said he was contacted by another operator about TA'd well forms. This operator stated that the TA Well forms state a CIBP is required, but their wellbores have more than adequate amounts of cement to satisfy the rules. The operator said if CIBP is not present, then the form gets kicked back. The Department is going to investigate this. Mr. Bassnet then said there are some wells that were TA'd before the 1922 rule that required the plug be placed within 200' of the perforations. He asked if those wells would be grandfathered into the rule. The Department stated they would need to review this as it was the first they had heard of it.

c. Additional changes to 10-acre drilling unit spacing rules

Mr. Matt Davis asked if the Department would consider any more changes to the 10-acre drilling unit spacing rules. The Department has discussed it, but a decision was not made as to whether the rules needed to be changed. A more in-depth review by the department is needed.

6) Next Meeting

The following date is for the next meeting held in Mt. Vernon, IL at 10am CST:
May 2, 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