

N.C. Oil and Gas Commission

Minutes of the October 16, 2018 Meeting¹

The Meeting of the Oil and Gas Commission took place on October 16, 2018, in the Archdale Building, Ground Floor Hearing Room at 512 N. Salisbury Street in Raleigh. A quorum of the Commission being present, Commission Chairman James K. Womack, Jr. gavelled-in the meeting at 10:10 AM. Members of the Commission recited the Pledge of Allegiance, followed by a moment of silence. Pursuant to N.C. Gen. Stat. § 163A-159(e), at the outset of the meeting the Chairman reminded the members of their requirement to avoid conflicts of interest and inquired as to whether any member had a conflict of interest with regard to the matters coming before the Commission. No conflicts were disclosed.

The Commission roll was then called: Present -- Stanford Baird, James Womack, Michael Stone, Rebecca Salmon, and Dr. Jim Zhang.

The Commission next considered the minutes from its August 7, 2018 Meeting. Chairman Womack requested three revisions of the minutes. A motion was moved and seconded to approve the minutes as revised. The approval vote was unanimous.

Chairman Womack then discussed the Committee and Study Group Assignments.

The **Rules Committee** would be: Baird (Chair), Dr. Zhang, and commissioner Jones' replacement.

The **Operations Committee** would be: Lucey (Chair), Gaglio and Reinhardt.

The **Environmental Standards Committee** would be: Stone (Chair), Salmon and Womack.

The **Best Practices Committee** would be: Gaglio (Chair), Lucey, and Reinhardt.

Chairman Womack also spoke of unfinished study groups work and mentioned seismicity, air quality baseline, and water sampling study baseline. He suggested Zhang (Chair) with Baird and Womack for the follow-up study of the baseline. The Chair also suggested that study groups bring local health directors into the discussions. Chairman said he wanted these to begin in three months. He asked for approval of his assignments. No commissioner present objected to their assignment. Commissioner Stone moved to approve the assignments and Commissioner Baird seconded the motion. The approval vote was unanimous.

Ryan Channell then provided a PowerPoint slide presentation on the adopted rules for the Oil and Gas Commission. Both the text and interpretation of the rule were given. For some rules, examples were given and questions by commissioners were also answered.

After Mr. Channell's presentation, Chairman Womack requested that the Department provide:

- (1) An interpretation of the definition of "operator."
- (2) How Drilling Units will be labeled and named.
- (3) How to grant an extension beyond 36 months.
- (4) How the WOTUS ruling applies to the setbacks in the Rules.
- (5) An evaluation of tanks for water storage.
- (6) Additional information on how other states address setbacks.
- (7) How to extend testing of monitoring wells?

¹ These minutes remain in draft form until approved by the Commission.
Audio recordings of all Oil and Gas Commission meetings are posted on the OGC website.

The Chairman also mentioned the unaddressed issue of providing guidance to county emergency management officials regarding how to address oil and gas operations at the local level.

Commissioner Baird asked if any drilling unit applications had been received. Commission staff answered that none had been received.

Commissioner Salmon asked for a Schedule for fines and penalties.

Chairman Womack then moved to the next item on the agenda -- the Commission Fieldtrip. The Commission identified dates in April, May, or June as possible dates to travel to either West Virginia or western Pennsylvania. No formal action was taken with respect to potential out-of-state site visits.

The Chairman moved on to discuss the proposed OGC meeting schedule, on which a vote was not held.

Commissioner Stone suggested the agriculture centers in Lee County and Apex are easier to attend, even if the Commission must pay to do so.

Dr. Taylor gave the status report on the public record requests, restoration of the documents on the public website, and conversion of MEC Archives to Laser fiche.

Public Comments: The Chairman opened the floor to public comments. The following individuals gave public comments, which are summarized as follows:

Martha Girolami – Spoke to the public warning to stop emissions from bad wells which leak. Look at alternatives such as solar and wind.

Therese Vick – Ms. Vick spoke of a June 5th to DEQ on specific e-mail that they had still waiting from the Chairman. She is also concerned with split estates where mineral rights trump the surface estate. She is also concerned that Ray Covington's committee at the Legislature did not look at their findings.

Brooks Rainey Pearson – No drilling units applied for, no mineral taxpayer money.

John Wagner – Good thing in the rules. Notification to adjacent homeowners should be directly from the drill site. Thirty days for public comment is inadequate. It should be 90 days at a minimum. Warning signs of the number of wells making notification of an emergency. Bonds for abandonment set at \$5,000 are too low. Actual costs should be \$1,000,000.

Commissioner Gaglio joined the meeting during the Public Comments.

Commissioners Comments:

Commissioner Zhang expressed thanks.

Commissioner Salmon said she did not have a working e-mail address.

Commissioner Stone asked Chairman Womack to look at the top three producing states. They are world leaders in doing it in a safe manner. Thanked the public for their comments.

Commissioners Gaglio said he missed much of the public comment period. He said to make sure it is done in a responsible way.

Commissioner Baird said he heard thoughtful comments and was troubled by the public requests. Looking to the update on states.

Interim DEMLR Director Toby Vinson – Status update at next meeting.

Chairman Womack – Three public record requests directed to turn over back to 2014. Turned over thousands of documents and to meet with Department Counsel on status of those requests.

Commissioner Stone moved, and Commission Zhang seconded the motion to adjourn the meeting.

Meeting ended at 12:48 PM.