

N.C. Oil and Gas Commission

Minutes of the May 14, 2019 Meeting¹

The Meeting of the Oil and Gas Commission took place on Tuesday, May 14, 2019 in the Archdale Building, Ground Floor Hearing Room at 512 N. Salisbury Street in Raleigh. Commission Chairman James K. Womack, Jr. gavelled-in the meeting at 10:03 AM. Members of the Commission stood for a Moment of Silence followed by reciting the Pledge of Allegiance. The Chairman read the ethics reminder and asked Commission members to identify conflicts or potential conflicts. No conflicts were disclosed.

The Commission roll was then called: Present -- Stanford Baird, Victor Gaglio, James Lister, Rebecca W. Salmon, and James Womack, Jr. Not Present -- John T. Lucey, Jr., Michael C. Stone, and Dr. Jim Zhang.

The minutes of the February 12, 2019 Meeting was approved without changes following a motion by Stanford Baird and seconded by Rebecca W. Salmon.

The Commission then moved to the election of a Vice Chair. Chairman Womack nominated James Lister. Victor Gaglio seconded the nomination. The vote for Commissioner Lister to be Vice Chair was unanimous.

The Commission then moved to the review of the Commission's Standard Operating Procedures, also referred to as the Commission By-laws. The discussion was led by Phillip Reynolds, Commission Counsel. Two issues were brought up and the consensus was to strike the use of a "first glance committee" and keep the requirement of closed session must be in-person and that a Commissioner participating on the telephone could no longer participate in a closed session. The Commission could not go into closed session if the loss of the commissioner on the telephone caused the Commission to no longer have a quorum.

At the end of the discussion, the Chair called for a motion. Commissioner Baird moved to approve the revised Standard Operating Procedures (Commission By-laws). Commissioner Gaglio seconded the motion. The motion was approved. Commission Counsel said he would send a PDF of the final document to all Commissioners.

Jennifer Mundt then briefed the Commission on the Oil and Gas Commission's Annual Report to the General Assembly. She asked if the May 14th meeting would be included as an addendum to the Annual Report. Chairman Womack said for the Report end with the February 12th meeting. Commissioner Baird moved to approve the Annual Report. Commissioner Gaglio seconded the motion. The 2018-2019 Oil and Gas Commission Annual Report was approved.

Mr. Peal from OSHR – Temp Solutions was recognized to on-board members of the Commission who wished to receive the \$15 per meeting stipend per meeting. Chairman Womack asked about the reimbursement for parking and mileage. Mr. Peal said that was to be paid by the Agency. Chairman Womack requested that next meeting, all necessary forms for reimbursement will be ready for signatures by Commissioners.

¹ These minutes remain in draft form until approved by the Commission.

Audio recording of all Oil and Gas Commission meetings are posted on the OGC website.

Commissioner Lister gave a presentation comparing North Carolina with other states and used charts to show the differences. He felt that the comparison was easier to see using bar graphs. In most cases, North Carolina has stricter requirements. There was an explanation from the Chairman to the other commissioners on the process the former Mining and Energy Commission tried to find factual comparisons with other states.

At the request of the Chairman, an Air Quality Report was given by staff. This was information from the only NC DEQ -- Division of Air Quality (DAQ) monitoring site in Lee County. The Blackstone Station was operated from 11/01/2013 to 7/31/2018. It started with five sensors in 2013 and expanded to nine sensors on March 1, 2017. The Lee County – Blackstone Station did not monitor Methane. NC DENR / NC DEQ was concerned with monitoring background levels of anthropogenic (human-kind) sources. On-line monitoring is available from Blackstone from January 1, 2016 to July 31, 2018.

The DAQ reported that there were no comments to them to keep the station running. Chairman Womack noted that even average wind speed and direction would be helpful in identifying emission hazards in the region from using diesel fuel. Commissioner Salmon asked how long it would take to get the site back into operations. Staff said they would check with DAQ to get an answer.

Jim Chapman then presented his update on the comparison between the rules in North Carolina and those in North Dakota, Pennsylvania, Texas, and Louisiana. Chairman Womack asked if he had looked at water quality testing. He said that rigorous testing over a long period of time was to assure to prevent contamination. Non-metal tanks not pits were next discussed. Chairman Womack said that extensive research on metal tank standards was done, but in most cases additional berms were added as a precaution to prevent spills. He wanted to find scientific or engineering explanations for the standards.

Public Comments:

No one signed up to speak.

Commissioners Comments:

Commissioners Gaglio and Baird welcomed Commissioner Lister to the Commission.

Sharon Garvit was on the telephone and asked to make a comment. She asked that the distances are not far enough. The distance of 650 feet is too little based on after action reviews.

Chairman Womack adjourned the meeting.

Meeting ended at 11:11 AM.