

Illinois Oil and Gas Advisory Board

February 27, 2020 Meeting Minutes

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

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

DNR – OOGRM in attendance: Hernando Albarracin, Kyle Fitzpatrick

Guests: Destiny Marsh, Michael Payne, Matthew McCarthy, Matt Davis, Jarred Tynes, Brad Richards, Nelson Wood (via telephone)

Chairman Dicus called the meeting to order at 10:04 AM.

Mr. Dicus introduced and welcomed new Board Member, Mr. Malcolm Booth, filling the vacancy of Mr. Bob Herr. Malcolm's term will expire in 2027

Round Table Discussion

A. Appointment of New Secretary

Ms. Stephanie Storckman nominated Mr. Ross Basnett for Secretary. Mr. Steve Persinger seconded, and the motion was carried unanimously.

i: Meeting Minutes Submission

Minutes from the November 7, 2019 meeting were approved. Motion was made by Mr. Larry Miller and seconded by Mr. Casey Lampley. Motion was carried unanimously.

B: Section 240.360(b) – Injection Fluid/Freshwater Zones

Mr. Dan Brennan passed out several copies of Section 240, which included 240.360(b), so the current rule could be reviewed by the board members. Mr. Craig Hedin proposed for verbiage to be added to the existing rule so that professional opinions of experienced engineers/geologists that injected fluid will not migrate into any freshwater zone. Mr. Hedin's argument over the verbiage was that the DNR did not have a Petroleum Engineer on staff to be able to debate against the opinions of experienced Petroleum Engineers and their opinions should be highly considered. Mr. Matthew McCarthy questioned that current language within 240.360(b) gives the DNR the right to refer to the rule over the opinions of industry professionals. Mr. Hernando Albarracin stated that the DNR is open to making an amendment to the rule to better clarify and use the opinions of industry professionals. Mr. Dan Brennan and Mr. Kyle Fitzpatrick also agreed on behalf of the DNR. Mr. Hedin agreed to prepare official

language to be added to the existing rule. A motion to accept Mr. Hedin language was made by Mr. Steve Persinger and seconded by Ms. Stephanie Storckman. Motion passes unanimously.

C: Bulletin 95 Follow Up:

Mr. Brennan stated that the DNR has had a few bumps but is getting better at working with operators. The DNR has temporarily suspended amending all OG-9s with correct formation names within the area the operator is working. Mr. Matthew McCarthy asked for better clarity from the DNR on what to tell other operators on how to proceed with SWD/WI well permits/amendments.

The current OG-10 and the use of the word “formation” was also discussed. The word “formation” is not defined within the rules. Mr. Brennan explained that the DNR refers to Bulletin 95 because it is the last published resource to go refer to. Ms. Storckman explained that when in the permitting phase, the use of the words “formation” and “reservoirs” should be handled correctly because there is a major difference between a formation and reservoir. Not knowing the difference or using the terms incorrectly could limit the production of different reservoirs within the same formation because of improper wording and not knowing the difference between the two. Mr. Jarred Tynes proposed language to be added to the existing statute to be able to clarify the “grey area” of the existing language. Mr. Brennan said the DNR is open to consider any language to resolve this issue. Mr. Hedin, Mr. McCarthy, Mr. Tynes and Ms. Storckman are to prepare language for the DNR for the next meeting on May 14, 2020. For now, operators are to use Bulletin 95 and, if needed, use a sub-member for clarification on the OG-10.

D: Ten Acre Spacing Follow Up

Mr. Hedin said he talked to the mineral law group and had zero negative feedback when discussion the proposal of eliminating the spacing requirements and making all wells eligible for 10 acre spacing as long as the well remained 330’ off of the lease line. Mr. Brennan said the DNR does not see a downside in going to an across the board 10 acre spacing. Mr. Michael Payne voices his support for the 10 acre spacing on behalf of other companies. Mr. Hedin, Mr. McCarthy, Mr. Tynes, Mr. Wood and Ms. Storckman are to prepare language for the DNR for the next meeting on May 14, 2020.

4: New Business:

Mr. Miller asked the board about horizontal drilling/fracturing (referring to the New Albany Shale leasing boom that occurred a few years back). Mr. Miller, needing to give an update to the Farm Bureau, asked if any potential leasing/drilling/frac’ing could take place when the price of oil increased to more profitable margins. No was the answer from the other board members because of the over-regulated frac laws that were put into place. Mr. Hedin explained that horizontal wells have been drilled but not in the shales because of the completions that would be needed to produce would fall into the new rules for high volume hydraulic fracturing and would be over-regulated by the existing rules for horizontal wells to produce.

5: Public Participation:

No public participation

6: Next Meeting:

May 14, 2020

Ms. Stephanie Storckman motioned to adjourn the meeting @ 11:04 am. Mr. Ross Basnett seconded.
Meeting adjourned.