

Illinois Oil and Gas Advisory Board

June 18, 2020 Meeting Minutes

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

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

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

Guests: Destiny Marsh, Michael Payne, Matthew McArthy, Matt Davis, Dale Helpingstine

1) Chairman Dicus called the meeting to order at 10:08 AM.

2) Meeting Minutes Submission

Minutes from the February 27, 2020 meeting were approved. Motion was made by Mr. Steve Persinger and seconded by Ms. Stephanie Storckman. Motion was carried unanimously.

3) Round Table Discussion

A) Bulletin 95 Follow Up:

i) ILSTRAT

Mr. Brennan stated that until something new can be updated the DNR will refer the Bulletin 95 when referring to formation names. He also said they will work with the operators to make sure the operator and the DNR are on the same page on referring to the same formation. Mr. Dale Helpingstine commented on the Robinson Sandstone (Ss) in Crawford County saying it is confusing to know if it the Robinson Ss, Spoon Ss or the Tradewater. He also stated that the DNR and ISGS need to work together to get find a solution that is less confusing for operators. Mr. Brennan said they are working with the ISGS to find a better system. Mr. Matthew McArthy stated that ILSTRAT has temporarily removed the selection for the Tradewater. If ILSTRAT has approved a certain section will the DNR accept it or refer to Bulletin 95? Mr. Brennan said he would look into it with it with other DNR officials (Ernie, Kendra, Kyle, John, and Hernando) to discuss the stance the DNR will have on the issue. If the DNR thinks that it is a conflict, they will refer to Bulletin 95.

B) Ten Acre Spacing

Mr. McArthy discussed the changes to the regulations regarding Rule 240.410. Section A numbers 2 and 3 were the main topic of discussion. Mr. McArthy explained the Trenton

formation does not exist in Bulletin 95, so it refers to the Galena Group. The top of the Galena Group will take the place of the Trenton. He stated that possibly using the Maquoketa Shale as the transition, but the Maquoketa Shale is not a formation per Bulletin 95. He asked what the stance of the DNR will be on the subject? Mr. Brennan said that he was unsure on the matter. Ms. Kendra Brockamp asked if 40-acre spacing was staying in place or if the plan is to make all locations 10-acre spacing? 10-acre throughout spacing was discussed. Mr. Michael Payne talked porosities and permeabilities of 4500+' wells and doesn't think over production will be an issue. Mr. Dicus stated that it is more on the attorneys to put the correct drilling units in place. Mr. McArthy asking if the language needed to reflect doing away with section 1, 2, 3 (10, 20, 40-acre spacing) and making everything 10-acre spacing? Mr. Ernie Kierbach stated for Mr. McArthy to provide language to the DNR for their attorneys to review. The DNR will check to see if Rule 240.410 needs to be referred to only oil wells? Ms. Brockamp asked if the gas wells will be included with the Rule change or if it were only referring to the oil wells. The clarification of the Galena Group will also be acceptable to the DNR with 240.410 B-3 being modified accordingly. Ms. Storckman motioned that Mr. McArthy prepare and submit the changes to the rule 240.410 for 10-acre spacing requirements for the DNR to review. The Motion was seconded by Mr. Dicus. Motion carried.

4: New Business:

A) Other Methods of Providing Notice Under Regulations

Mr. Craig Hedin brought up the discussion of being able to use other methods to be able to notify land, coal, etc. owners on OG-3 and OG-10 applications. He stated that sometimes the addresses that are given as the contact address do not always have someone to sign for the USPS Certified Mail (Green Card Receipt) to show proof of notification. Mr. Dale Helpingstine added that when dealing with the notifications in Kansas, the operator is to send a letter notice to the owners and include a copy of the letter that was sent with the permit application to the state of Kansas since a returned receipt is not needed. Mr. Hedin asked the DNR to be open to another method to notify owners other than USPS Certified Mail and have the topic open for discussion during the next Advisory Board meeting. Ms. Kendra Brockamp expressed concerns over coal mine areas but the DNR said they are open for a new discussion on the topic.

B) Possible Changes to Oil and Gas Forms

Mr. Ernie Kierbach the new look/changes to the following forms:

OG-12: Explained the LOW was an acronym for Liquid Oilfield Waste

OG-15A: Explained the form and how it should be filled out using information provided by the operator. Ms. Storckman asked if there was a fillable form that could be viewed so we could see how the form should be filled out to be able to understand it prior to voting the new form in. There was currently not a form to be viewed so a motion was made by Ms. Stephanie Storckman and seconded Mr. Malcolm Booth for a continuation on the OG-15A form for June 25, 2020 to review a

fillable form provided by the DNR at least 24 hours in advance of the meeting.
Motion passed unanimously.

Ms. Brockamp discussed the changes in the CD Bond forms for clarification to fix the typos and formatting errors with the old form. Motion was made by Mr. Ross Basnett and seconded by Mr. Steve Persinger to accept the new OG-12A form and the CD Bond forms. Motion carried.

C) Policy for Notice of Non-Compliance

Mr. Brennan explained that the DNR is no longer automatically giving a 180-day extension for NNC's from the COVID-19 pandemic. The department is now giving 90-day extensions due to the pandemic and the effects it has had on the oil industry.

D) Formation vs. Pool

Mr. McCarthy presented and discussed the difference between Formation and Pool and how they are displayed within the regulations. Referring to several sections of the Rule 240 he noted the following areas of where formation should be referred to as Pool.

- 240.220: formation replaced with pool
- 240.360: B and C sections: formation replaced with pool. Also replace injection formation to injection interval match the injection application
- 240.340: D section: formation to be changed to pool or pools
 - Section 2 B) formation to pool
 - Bi) formation to pool
 - Bvii) formation to pool
 - Bvix) formation to pool
- 240.390 section C 2: formation to pool
- 240.460 section E 4: formation to pool(s)
- 240.470 section C: currently unsure how to proceed with this but if 10-acre spacing throughout is granted then the issue resolves itself
- 240.640 sections B 2 and C: formation to pool(s)
- 240.780: formation to pool(s)
- 240.1020 section D: formation to pool(s)
- 240.1040 section B 1: formation to pool(s)
- 240.10: wording throughout the paragraph should be changed from formation production pool or injection interval

A motion for Mr. McCarthy to submit documents prepared by the committee, with the changes to be made, to the DNR for their review was made by Mr. Basnett and seconded by Ms. Storckman.

5: Public Participation:

No public participation

6: Next Meeting:

September 10, 2020

Mr. Steve Persinger made the motion to recess the meeting until June 25, 2020 at 10:00 am for the DNR to present the OG-15A forms to the board. Ms. Stephanie Storckman seconded the motion and the meeting is set for continuation for 10:00 am June 25, 2020.

Illinois Oil and Gas Advisory Board

June 25, 2020 Meeting Minutes

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

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

DNR – OOGRM in attendance: Hernando Albarracin & Ernie Kierbach

Guests: Destiny Marsh

1) Chairman Dicus called the continuation meeting of June 18, 2020 to order at 10:05 AM.

2) Continuation of New Business from 06/18/2020

Possible Changes to Oil and Gas Forms

- OG-15A

Mr. Ernie Kierbach provided several OG-15A forms that show how the Temporary Abandon status is graded. The well cannot be TA'd if the well is in the plugging fund or if the lease has been inactive for 24+ months. The new OG-15A will be emailed to the operator once the inspector submits the paperwork onsite or mailed to the operator if no email is listed. The OG-15A forms provided by Mr. Kierbach showed how to fill out the forms based on information provided by the operator.

No other comments or questions were mentioned and Mr. Steve Persinger made the motion to accept the new OG-15A form. Ms. Stephanie Storckman seconded the motion and the motion carried. Mr. Kierbach stated that the new forms will be posted to the DNR website as soon as possible.

Mr. Dicus proposed that snapshots of the forms be put online as well for other operators to view prior to filling out a new form. Mr. Kierbach stated that was not normal procedure. Mr. Brennan said they would move into the area of the website where questions are asked. Ms. Storckman agreed to display the new forms online.

Follow up from on language sent to DNR

Submitted and received the changes to Rule 240.410 on June 21, 2020. Mr. Brennan confirmed receiving the language from Mr. McArthy. He also stated the DNR is reviewing the language sent by Mr. Craig Hedin.

No other topics were discussed, and the next meeting was set for Thursday September 10, 2020 at 10:00 am.

A motion for official adjournment of the meeting from June 18, 2020 was made by Mr. Persinger and seconded by Ms. Storckman. Meeting adjourned at 10:25 am.