

Illinois Oil and Gas Advisory Board
Meeting Minutes
December 14, 2017

Voting Board Members in Attendance

Bryan Dicus, Chairman
Kyle Kingston, Vice Chairman
Casey Lampley, Secretary
Stephanie Storckman
Bob Herr
Steve Persinger
Larry Miller

Non-Voting Board Members in Attendance

Mike Mankowski, OGRM Director
Sam Barbee, IOGA Executive VP
Craig Hedin, IOGA President
Jarred Tynes, IOGA Member
Charles Williams, IPRB Executive Director

DNR-OGRM Guests / Presenters in Attendance

Ernest Kierbach
Doug Shutt

Guests in Attendance

John W. Brooke, Pioneer Oil
Brad Richards, Bi-Petro
J. Nelson Wood, Wood Energy

- 1) Mr. Dicus called the meeting to order at 10:15am.
- 2) CY 2018 board meeting dates set for:
 - Q1: February 8, 2018 @ 10am
 - Q2: May 10, 2018 @ 10am
 - Q3: September 13, 2018 @ 10am
 - Q4: November 8, 2018 @ 10am
- 3) Ms. Storckman moved to approve last meeting's minutes with corrected typographical errors. Seconded by Mr. Persinger. Motion carried.
- 4) Mr. Mankowski advised the board of various staffing changes at the Department.
- 5) Round Table Discussion:

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A) Update on recent rulemaking: Mr. Mankowski advised the board that the rule package was published on December 1, 2017. This starts the 45-day comment period, and Mr. Mankowski explained the comment period process to the board.

B) Section 240.160: Mr. Mankowski advised the board that a Sangamon County judge threw out all of 160, and this action is currently in appeal. Mr. Mankowski explained the Department's desire to go after major violators, which include about 15 types of violations like spills and human rights. There are around 180 types of "minor" violations. Currently, the Department is stuck with a fine ceiling that limits its ability to discourage bad operators. Mr. Mankowski hopes for an open line of communication between the Department and operators so things aren't hidden. Mr. Mankowski says that fine history "resets" every 2 years, meaning they only look back 2 years when calculating penalties. When calculating penalties, he wants the Department to have a longer time period for historical review, not just for negative actions, but also positive actions taken by operators.

C) Section 240.460(k): To avoid timing problems between getting a Modified Drilling Unit and being issued a drilling permit, Mr. Mankowski wants to work on better language to possibly vote on at next meeting.

D) Form Amendments: Mr. Kierbach presented frac/acid treatment and step-rate forms to the board. They are not specific to any amendment or current form, and they only apply to Maximum Injection Pressure scenarios. Mr. Herr moved to accept the forms as presented with "OG" numbers to be assigned to the forms at the Department's discretion. Mr. Persinger seconded the motion. Motion carried.

Mr. Kierbach also presented an OG-2 Application for Lease Road Oiling form, along with an OG-2-SOC Surface Owner Consent form to the board. The OG-2 attempts to walkthrough the requirements to help operators. There is no notary requirement for a landowner's signature on the OG-2-SOC form. Mr. Kierbach hopes to get the forms online, which could allow immediate approval if criteria are met. Mr. Persinger moved to accept forms OG-2 and OG-2-SOC as presented. Mr. Miller seconded. Motion carried.

6) New Business:

A) Mr. Mankowski asked the board if anyone had any issues between flowlines and water mains. No board members present indicated having any problems of this sort. Mr. Mankowski also wants the board to keep rules relating to induced seismicity on its radar - try to get ahead of it before it gets legislated.

B) Mr. Kierbach would like to draft language and present diagrams to the board regarding clarification of horizontal well spacing language, specifically better defining "drain hole". He would also like to revise the OG-1 form to make it simpler. Mr. Kierbach said that a

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new email address has been setup to receive OG-3 and OG-4 applications: DNR.OOGRMAPPS@ILLINOIS.GOV. Mr. Mankowski advised the board that the Department was developing a method to accept online payments.

C) Mr. Dicus stated that operators were concerned that the endangered species review would slow down permitting. Mr. Kierbach said that it's a quick process that shouldn't affect permit turnaround. He said there is a link to the ECO-CAT system on the DNR website, and operators can "pre-run" for a fee. Mr. Kierbach would like a person with the Department to come down and speak to the board about the process.

7) No public participation.

8) Next meeting set for February 8, 2018 @ 10am at the IOGA office in Mt. Vernon, IL.

9) Mr Persinger moved to adjourn. Ms. Storkman seconded. Motion carried. Meeting adjourned at 12:30pm.