

**FEBRUARY 26, 2014, MEETING MINUTES  
OF THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
IN AND FOR THE STATE OF UTAH**

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A public meeting will be held on Wednesday, February 26, 2014, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

**ATTENDEES:**

**BOARD MEMBERS:**

Ruland Gill, Board Chair  
Kelly Payne, Vice-Chair - Excused  
Mike R. Brown, BOGM  
Susan S. Davis, BOGM  
Chris Hansen, BOGM  
Carl Kendell, BOGM  
Gordon L. Moon, BOGM

Susan White  
Gibson Peters, Energy Policy Coordinator  
Ammon McDonald  
Mark Jones  
Angela Nance  
Paul Gedge

**DIVISION:**

Mike Johnson, AAG, BOGM – Participating electronically  
Douglas J. Crapo, AAG  
Steven F. Alder, AAG, Division - Excused  
Kassidy J. Wallin, AAG  
John R. Baza, Director  
Jim Springer, PIO  
Dana Dean, Assoc. Dir. Minerals - Excused  
John Rogers, Assoc. Dir. Oil & Gas  
Steve Schneider, Admin. Policy Coord.  
Julie Ann Carter, Board Sec.  
Brad Hill, Permit Manager, Oil & Gas  
Clinton Dworshak, Hearings & Enf.  
Dustin Doucet, Petroleum Engineer  
Randy Thackeray, Audit Manager  
Paul Baker, Minerals Program Manager  
Dan Jarvis, Oil and Gas  
Zeke Clements, Auditor

**DEPARTMENT OF NATURAL  
RESOURCES**

Mike Styler, Executive Director, and Robyn Pearson, Deputy Director, Dept. Natural Resources

**SCHOOL AND INSTITUTIONAL TRUST  
LANDS ADMINISTRATION**

LaVonne Garrison

**BUREAU OF LAND MANAGEMENT:**

Michael Coulthard, Salt Lake City Field Office  
Jerry Kencza, Vernal Field Office

**MEMBERS OF THE PUBLIC**

Thiess Lindsey and Chris Kaiser, Kennecott Utah Copper  
Tiffany James, and Sam Quigley, Magnum NGLs, LLC, and Kathryn Steffey attorney for Magnum.

The Board Chairman, Ruland J. Gill, Jr., called the meeting to order at 8:04 a.m. John R. Baza, Director, Division of Oil, Gas, and Mining, conducted the Briefing Session.

The Division of Oil, Gas and Mining will conduct a Briefing Session at 8:00 a.m.

1. KUCC Bingham Mine Annual Report

Thiess Lindsey and Chris Kaiser, Kennecott Utah Copper, gave their annual report on the Bingham Mine as required by Kennecott's 1978 Reclamation Contract. They are required to spend a minimum of \$50,000 in 1975 money every year on reclamation.

2. Legislative Update

Mr. Steve Schneider gave updated the Board on the status of bills we are tracking, including SB 65 Sales and Use Tax modification, SB 213 Compulsory Pooling Amends, several bills for the purpose of transferring Federal land to State ownership, the Environmental Defense Fund, and several administrative bills including our base budget has been approved, the Oil and Gas program database rewrite.

3. Other

- Introduction of Mr. Gordon L. Moon
- Mr. Mike Johnson, Attorney for the Board, is participating electronically today
- Magnum NGLs, LLC, Salt Cavern Storage Project
- Ms. Tiffany James, and Mr. Sam Quigley, Magnum NGLs, LLC, gave a presentation on Magnum's Salt Cavern Storage Project. This facility will store NGLs products including Propane and Butane. Magnum NGLs, LLC, will come before the Board at the March Board hearing to request approval for commercial operations.
- Mike Styler, Executive Director, Dept. Natural Resources, swore in Gordon Moon.

4. Next Month's Agenda and Division Calendar

The next meeting is on the 26th of March, the fourth Wednesday of the month.

5. Opportunity for Public Comment

None.

6. A meeting will be held during a Working Luncheon in Room 1010 to discuss Earth Day Nominations

The Division will meet with the Board during lunch to discuss Earth Day nominations. The Board will then vote on which nominations to invite to give presentations at the March 26, 2014, Board Hearing.

The Briefing Session adjourned at 8:57 a.m.

**THE BOARD WILL HEAR THE FOLLOWING MATTERS AT 9:00 AM:**

*Please note: Transcripts of the formal items will be available for review at the Division offices approximately fifteen business days after the hearing date. Copies of individual transcripts may be purchased by calling Atkinson-Baker at (800) 288-3376 and requesting Job No. A70ACB0, and the individual docket number.*

The Board Chairman, Ruland J. Gill, Jr., called the meeting to order at 9:11 a.m.

1. [Docket No. 2011-018 Cause No. 250-02](#) – Notice of Agency Action for an Order Requiring MARION ENERGY to plug and reclaim wells; or Forfeit Surety Bond and Authorize the Division to Plug and Reclaim wells located in Townships 13 and 14 South, Range 7 East, Carbon County, Utah.

*(Continued from the January 22, 2014, Board Hearing)*

9:11 a.m. - 9:28. a.m

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Counsel for Marion Energy - Michael J. Malmquist, Parsons Behle & Latimer.

Counsel for the Division – Douglas J. Crapo, Assistant Attorney General, Natural Resources.  
Witnesses: John Rogers, Clint Dworshak, and Dustin Doucet.

Mr. Michael J. Malmquist, attorney for Marion Energy, gave an update on the status of the Utah Fuel #8 well. The Board entertained a motion to continue. The Board granted the motion to continue, for 90 days, by unanimous vote, or sooner at the discretion of the Division.

2. [Docket No. 2013-026 Cause No. 131-134](#) – In the Matter of the Petition by the Division of Oil, Gas and Mining for an Order: (1) Forfeiting to the Division Homeland's bond associated with the Brown 3-2 well; (2) Authorizing the Division to complete plugging and reclamation of the Brown 3-2 well and the lands affected by the well; (3) Authorizing the Division to take other action necessary to recover from Homeland any and all costs associated with the plugging and reclamation of the Brown 3-2 well; and (4) Ordering Homeland to establish new bond coverage for its remaining wells in the State of Utah.

*(Continued from the January 22, 2014, Board Hearing)*

9:28 a.m. - 9:39 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), and Douglas J. Crapo, Assistant Attorneys General, Natural Resources.

Counsel for Homeland - Matthew S. Brahana, Van Cott, Bagley, Cornwall & McCarthy, P.C.

Counsel for the Division - Cassidy J. Wallin, Assistant Attorney General, Natural Resources, Witnesses: John Rogers, Clint Dworshak and Dustin Doucet.

The Division made a motion to continue this matter to the May Board Hearing to give Homeland time to comply with the Stipulated Agreement, filed February 25, 2014. The Board granted the motion by unanimous vote.

3. [Docket No. 2013-038 Cause No. S/039/0020](#) –In the Matter of the Petition by the Division of Oil, Gas and Mining for an Order: (1) Withdrawing Bryce H. Haas’s Notice of Intention to Commence Small Mining Operations at the B&H Quarry, S/039/0020, located in portions of the east half of Section 5, Township 20 South, Range 2 East, SLBM, Sanpete County, Utah; (2) Forfeiting Bryce H. Haas’s surety for the B&H Quarry; (3) Authorizing the Division to complete reclamation at the B&H Quarry; and Granting such further relief as the Board may deem just and reasonable under the circumstances.

*(This Matter may be continued to the March 26, 2014, Board Hearing)*

9:40 a.m. - 9:42 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Counsel for the Division - Cassidy J. Wallin, Assistant Attorney General, Natural Resources.

The Board continued this matter to the March Board Hearing by unanimous vote.

4. [Docket No. 2014-002 Cause No. 142-10](#) – In the Matter of the Request for Agency Action of ULTRA RESOURCES, INC. for an Order authorizing the flaring of gas in excess of the amounts allowed under Utah Admin. Code Rule R649-3-20(1.1) from twelve (12) Three Rivers Area wells located in Sections 32 and 36 of Township 7 South, Range 20 East, SLM, and Sections 3, 8, and 16 of Township 8 South, Range 20 East, SLM, Uintah County, Utah.

*(Continued from the January 22, 2014, Board Hearing. Ultra Resources will give a report on the status or completion of the project and cumulative gas flared.)*

9:42 a.m. - 9:46 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Counsel for Ultra Resources, Inc. - Kiersty Loughmiller, Esq., MacDonald & Miller Mineral Legal Services, PLLC. - Not present.

Counsel for the Division - Cassidy J. Wallin, Assistant Attorney General, Natural Resources.  
Witnesses: Clint Dworshak, Dustin Doucet, and Brad Hill.

The Petitioner filed a written report. No further action is required by the Board.

5. [Docket No. 2014-011 Cause No. 142-11](#) – In the Matter of the Request for Agency Action of ULTRA RESOURCES, INC. for an Order Authorizing the Flaring of Gas in Excess of the Amounts Allowed under Utah Admin. Code Rule R649-3-20(1.1) from the Three Rivers #2-13-820 and Three Rivers #2-23-820 Wells Located in Section 2 of Township 8 South, Range 20 East, SLM, Uintah County, Utah.

9:46 a.m. - 9:46 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Counsel for Ultra Resources, Inc. - Kiersty Loughmiller, Esq., MacDonald & Miller Mineral Legal Services, PLLC.

Counsel for the Division - Cassidy J. Wallin, Assistant Attorney General, Natural Resources.  
Witnesses: Clint Dworshak, Dustin Doucet, and Brad Hill.

This matter is dismissed.

6. [Docket No. 2014-004 Cause No. 272-03](#) – In the Matter of the Request for Agency Action of BERRY PETROLEUM COMPANY for an Order establishing 40-acre drilling and spacing units for production of oil and gas from the Green River and Wasatch Formations underlying Sections 5 and 7 in Township 6 South, Range 4 West, USM, Duchesne County, Utah.  
*(Continued from the January 22, 2014, Board Hearing)*

9:46 a.m. – 9:48 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Counsel for Berry Petroleum Company - Mark L. Burghardt, and A. John Davis, HOLLAND & Hart, LLP not present.

Counsel for the Division - Douglas J. Crapo, Assistant Attorney General, Natural Resources.  
Witnesses: Clint Dworshak, Dustin Doucet, and Brad Hill.

The Board continued this matter to the March hearing by unanimous vote.

7. [Docket No. 2014-012 Cause No. 272-04](#) – In the Matter of the Request for Agency Action of BERRY PETROLEUM COMPANY, LLC, a Wholly Owned Subsidiary of Linn Energy, LLC, as Successor in Interest to Berry Petroleum Company, for an Order Force-Pooling the Interests of all Owners Refusing or Failing to Bear Their Proportionate Share of the Costs of Drilling and Operating the Drilling and Spacing Units Located in Sections 5 and 7 in Township 6 South, Range 4 West, USM, Duchesne County, Utah.

9:48 a.m. - 9:49 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Counsel for Berry Petroleum Company - Mark L. Burghardt, and A. John Davis, HOLLAND & Hart, LLP not present.

Counsel for the Division - Douglas J. Crapo, Assistant Attorney General, Natural Resources.  
Witnesses: Clint Dworshak, Dustin Doucet, and Brad Hill.

The Board continued this matter to the March hearing by unanimous vote.

8. [Docket No. 2014-007 Cause No. S/005/0004](#) – In the Matter of the Request for Agency Action of C.E. BUTTERS REALTY AND CONSTRUCTION regarding Informal Conference for the Fact of Violation and Proposed Assessment for Citation No. MC-2013-17-03 for lands located in Section 29 of Township 9 North, Range 3 East, Cache County, Utah.

*(Continued from the January 22, 2013, Board Hearing)*

9:53 a.m - 9:55 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Counsel for C.E. Butters Realty and Construction - Joseph M. Chambers, Harris, Preston & Chambers, LLP. Not present.

Counsel for the Division - Kassidy J. Wallin, Assistant Attorney General, Natural Resources.  
Witnesses: Clint Dworshak, Dustin Doucet, and Brad Hill.

The Board continued this matter to the May Board hearing by unanimous vote.

9. [Docket No. 2014-008 Cause No. 131-137](#) – In the Matter of the Request for Agency Action of CRESCENT POINT ENERGY U.S. CORP. for Approval of Enhanced and Secondary Recovery Operations in the Green River and Wasatch Formations in Section 36, Township 3 South, Range 1 East, U.S.M., Uintah County, Utah, for Authority for Underground Injection of Water, and Certification as an Enhanced Recovery Project.

10:11 a.m. - 11:21 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), and Kassidy J. Wallin, Assistant Attorneys General, Natural Resources.

Counsel for Crescent Point Energy U.S. Corp. - Thomas W. Clawson, Van Cott, Bagley, Cornwall & McCarthy, P.C. Witnesses: Ryan Waller, Laura Roberts, and Katie Matthews.

Counsel for the Division - Douglas J. Crapo, Assistant Attorney General, Natural Resources.  
Witnesses: Clint Dworshak, Dustin Doucet, and Brad Hill.

The Board granted the petition as requested by unanimous vote. Mr. Clawson will prepare the order.

10. [Docket No. 2014-009 Cause No. 280-03](#) – In the Matter of the Request for Agency Action of WHITING OIL AND GAS CORPORATION for an Order Authorizing the Venting or Flaring of Gas from the Wellington Flats 15-11-18E Well Located in Section 18, Township 15 South, Range 11 East, S.L.M., in the Wellington Flats Area of Carbon County, Utah.

11:29 a.m. - 12:27 p.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), and Douglas J. Crapo, Assistant Attorneys General, Natural Resources.

Counsel for Whiting Oil and Gas Corporation - Thomas W. Clawson, Van Cott, Bagley, Cornwall & McCarthy, P.C. Witnesses: Paul Joeckel, and Ralph Nelms.

Counsel for the Division - Cassidy J. Wallin, Assistant Attorney General, Natural Resources. Witnesses: Clint Dworshak, and Dustin Doucet.

The Board approved the application as written for temporary flaring by unanimous vote.

11. [Docket No. 2014-010 Cause No. 139-115](#) – In the Matter of the Request for Agency Action of NEWFIELD PRODUCTION COMPANY for an Order Pooling all Interests in Five Drilling Units Established by the Board’s Orders Entered in Causes Nos. 139-8 and 139-90 in Sections 7, 9, and 28, Township 3 South, Range 2 West, and Sections 8 and 12, Township 3 South, Range 3 West, U.S.M., Duchesne County.

*(The Board will consider the recommended findings of fact and conclusions of law generated by the hearing examiner from the February 19, 2014 hearing.)*

11:22 a.m. - 11:29 a.m.

Board Members present - Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Kelly L. Payne, Vice-Chairman, was excused.

Counsel for the Board - Michael S. Johnson (participating electronically), Assistant Attorney General, Natural Resources.

Hearing Examiner – John C. Rogers, Hearing Examiner, Assoc. Director, Oil & Gas.

Counsel for the Hearing Examiner – Cassidy J. Wallin, Assistant Attorney General, Natural Resources.

Counsel for the Petitioner - Thomas W. Clawson, Van Cott, Bagley, Cornwall & McCarthy.

Counsel for the Division - Douglas J. Crapo, Assistant Attorney General, Natural Resources. Witnesses: Dustin Doucet, Clinton Dworshak, and Brad Hill.

The Board approved the Hearing Examiner’s report and proposed findings of fact conclusions of law and order by unanimous vote. Tom Clawson will prepare the order.

Copies of the agenda are available at [www.ogm.utah.gov](http://www.ogm.utah.gov) and at the administrative offices. Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing. One or more members of the Board may participate electronically pursuant to R641-100-600. The specified meeting location would serve as the anchor location for participation by the public.



**FEBRUARY 26, 2014, MEETING MINUTES  
EARTH DAY NOMINATIONS MEETING  
OF THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
IN AND FOR THE STATE OF UTAH**

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A public meeting will be held on Wednesday, February 26, 2014, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. A meeting will be held during a Working Luncheon in Room 1010 to discuss Earth Day Nominations

**ATTENDEES:**

**BOARD MEMBERS:**

Ruland Gill, Board Chair  
Mike R. Brown, BOGM  
Susan S. Davis, BOGM  
Chris Hansen, BOGM  
Carl Kendell, BOGM  
Gordon L. Moon, BOGM

**DIVISION:**

Mike Johnson, AAG, BOGM – Participating electronically  
Douglas J. Crapo, AAG  
Kassidy J. Wallin, AAG  
John R. Baza, Director  
Steve Schneider, Admin. Policy Coord.  
John Rogers, Assoc. Dir. Oil & Gas  
Jim Springer, PIO  
Paul Baker, Minerals Program Manager  
Daron Haddock, Coal Program Manager  
Julie Ann Carter, Board Sec.

The Board Chairman, Ruland J. Gill, Jr., called the meeting to order at 1:20 p.m. The Board discussed Earth Day Award nominations submitted for 2014 Earth Day Awards. There were eleven nominations as follows:

1. Anadarko Petroleum Corporation, Oil & Gas activity, in the category of best practices, for the Greater Natural Buttes Field in the Uintah Basin.
2. QEP Energy Company, Oil & Gas activity, in the category of outstanding results following application of innovative environmental technology, in the Red Wash Field.
3. Canyon Fuel Company, LLC, Coal activity, in the category of environmental improvement to an active mine site, drilling or recovery site, or field, at the Skyline Mine, Eccles Canyon.
4. Canyon Fuel Company, LLC, Coal activity, in the category of best practices, Quitcupah Creek Road in Sevier County.
5. Intermountain Power Agency, Coal activity, in the category of other: mine lands conversion for recreational use, IPA Rails to Trails Project in Carbon County.
6. PacifiCorp/Energy West Mining Company, Coal activity, in the category of outstanding final reclamation or site restoration at the Byron Howard Mine/Deer Creek Mine.

7. Geneva Rock Products, Inc., Minerals activity, in the category of environmental final reclamation or site restoration, at the Pelican Point Quarry, Utah Lake.
8. Kennecott Utah Copper, Minerals activity, in the category of outstanding final reclamation or site restoration, Copperton High Line reclamation.
9. Dan Proctor and Legarza Exploration, Minerals activity, in the category of outstanding final reclamation or site restoration, Southwest E/045/0151, Tooele County.
10. Rasmussen Excavation, LLC, Minerals activity, in the category of outstanding final reclamation or site restoration, at the Saturday Night Mine in Box Elder County.
11. Simplot Phosphate, LLC, Minerals activity, in the category of other: environmental stewardship - sustainability, Vernal Phosphate Operation, Vernal.

The Board discussed each nomination, and decided to invite the following operators to give presentations at the March 26, 2014, Board Hearing:

1. Anadarko Petroleum Corporation, Oil & Gas activity, in the category of best practices, for the Greater Natural Buttes Field in the Uintah Basin.
2. QEP Energy Company, Oil & Gas activity, in the category of outstanding results following application of innovative environmental technology, in the Red Wash Field.
3. Canyon Fuel Company, LLC, Coal activity, in the category of best practices, Quitcupah Creek Road in Sevier County.
4. Intermountain Power Agency, Coal activity, in the category of other: mine lands conversion for recreational use, IPA Rails to Trails Project in Carbon County.
5. PacifiCorp/Energy West Mining Company, Coal activity, in the category of outstanding final reclamation or site restoration at the Byron Howard Mine/Deer Creek Mine.
6. Dan Proctor and Legarza Exploration, Minerals activity, in the category of outstanding final reclamation or site restoration, Southwest E/045/0151, Tooele County.
7. Rasmussen Excavation, LLC, Minerals activity, in the category of outstanding final reclamation or site restoration, at the Saturday Night Mine in Box Elder County.

The meeting adjourned at 2:30 p.m.