

**APRIL 22, 2015 MEETING MINUTES**  
BEFORE 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 was held on Wednesday, April 22, 2015, in the Moab City Council Chambers, 217 East Center Street, Moab, Utah.

**ATTENDEES:**

**Board Members**

Ruland J. Gill, Jr, Chairman  
Michael R. Brown (Excused)  
Richard K. Borden  
Susan S. Davis  
Chris D. Hansen  
Carl F. Kendell  
Gordon Moon

**Utah Attorney General's Office, Natural Resources Division**

Michael S. Johnson, AAG, representing the Board  
Steven F. Alder, AAG, representing the Division  
Douglas Crapo, AAG, representing the Division  
John Robinson Jr, AAG, representing the Division

**Division of Oil, Gas and Mining**

John R. Baza, Division Director  
John Rogers, Assoc. Director, Oil and Gas Program  
Dana Dean, Assoc. Director, Mining Program  
Steve Schneider, Administrative Policy Coordinator  
Jim Springer, Public Information Officer  
Earlene Russell, Administrative Assistant  
Julie Ann Carter, Board Secretary  
Brad Hill, Permit Mgr., Oil and Gas Program  
Dustin Doucet, Petroleum Engineer, Oil and Gas Program

**Earth Day Recipients**

Canyon Fuel Company, Sufco Mine, Vicky Miller, and Ken May  
Crescent Point Energy, Danielle Gavito  
Simplot Phosphates, John Spencer  
Rio Tinto Kennecott Copper, Trevor Heaton, and Thiess Lindsay  
Star Stone Quarries, Lon Thomas  
Tek American, Dave Enos

**Van Cott, Bagley, Cornwall & McCarthy, P.C.**

Thomas W. Clawson, Esq., attorneys for Whiting Oil And Gas Corporation

**Whiting Oil And Gas Corporation**

Paul Joeckel, Landman

Ralph Nelms, Petroleum Engineer

**Hunter Mineral Law**

Tony Hunter, Esq., attorneys for International Petroleum Limited Liability Company; and also for J.P. Furlong Company

**International Petroleum Limited Liability Company**

Brian Wixom

**MacDonald & Miller Mineral Legal Services, PLLC**

Frederick M. Macdonald, Esq., attorneys for EP Energy E&P Company, L.P.

**EP Energy E&P Company, L.P.**

John Dewitt, Staff Landman

Michael Walcher, Land Advisor

Mr. Steven Biancardi, Reservoir Engineering Advisor

**J.P. Furlong Company**

Timothy P. Furlong

Ramona Garcia Furlong

Kruise B. Kemp

**Briefing Session:**

The Chairman, Mr. Ruland J Gill, Jr., called the meeting to order at 8:40 a.m. The Board members took turns conducting the Earth Day awards ceremony. Mr. John R. Baza, Director of the Division of Oil, Gas and Mining, conducted the remainder of the Briefing Session.

**1. Presentations of Earth Day Awards**

Board members Ruland J. Gill, Jr, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon Moon, took turns awarding the Earth Day Awards. Earth Day Awards were given to Canyon Fuel Company Sufco Mine; Crescent Point Energy; Rio Tinto – Kennecott Utah Copper; Simplot Phosphate LLC; Star Stone Quarries; and Teck American, Inc. The Board thanked the award winners for the good job they are doing. There was a short break for a group photo.

**2. Other**

- The Bureau of Land Management issued a final rule on hydraulic fracturing in March. The rule goes into effect the last week in June, 2015. State rules must meet or exceed the requirements of the BLM's rule. Wyoming and Nebraska are going to litigate. Utah is considering joining in the litigation.

3. Next Month's Agenda and Division Calendar
  - The Interstate Oil and Gas Compact Commission's annual meeting in Salt Lake City is coming up. Board members are invited to attend.
  - The Governors Energy Summit will take place on May 21st. The Board is invited to attend.
4. Opportunity for Public Comment

The Chairman opened the meeting for public comment. Seeing that there were no comments, the Briefing Session adjourned at 10:00 a.m.

### **Formal Session:**

The Chairman, Ruland J. Gill, Jr., called the formal session of the Board of Oil Gas and Mining hearing to order at 10:04 a.m. The Board heard the following matters:

*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 from Alpine Court Reporting, 243 East 400 South, Suite 101B, Salt Lake City, Utah 84111, ph.: 801-691-1000.*

1. Docket No. 2014-037 Cause No. ACT/007/020 (04) – In re Hidden Splendor Mine, Inc. and Request by the Utah Division of Oil, Gas and Mining that the Board of Oil, Gas and Mining Forfeit the reclamation surety which consists of a Deed of Trust in Unit No. R-2404-N of the American Towers Condominiums located at 57 West 200 South, Salt Lake City, Salt Lake County, Utah; and has been provided to guaranty reclamation of the Horizon Mine, Permit ACT/007/020 located in Sections 13 and 17, Township 13 South, Range 8 East, SLM, Carbon County, Utah.  
*(This matter was continued from the March hearing.)*

Time: 10:04 a.m. to 10:06 a.m.

Board Members present: Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Michael R. Brown was excused.

Counsel for the Board: Michael S. Johnson, Assistant Attorney General, Natural Resources.

Counsel for the Division: Steven F. Alder, and Douglas J. Crapo, Assistant Attorneys General, Natural Resources.

Counsel for Hidden Splendor Resources, Inc.: Denise A. Dragoo, and James P. Allen, Snell & Wilmer L.L.P.

This matter was withdrawn without prejudice.

2. Docket No. 2014-044 Cause No. 139-126 – In the Matter of the Request for Agency Action of RIG II, LLC, for an Order Force Pooling the Interests of all Owners refusing to agree to Lease their Interests or otherwise bear their proportionate share of the costs of drilling operations for the Pappadakis #15-24-2-1E Well in the Drilling Unit established by the Order in Cause No. 139-42, comprising Section 24, Township 2 South, Range 1 East, U.S.M., within the Greater Altamont/ Bluebell Area, Uintah County, Utah, for the production of oil and gas from the Lower Green River and Wasatch Formations.

*(This matter was bifurcated. The bifurcated portion of this matter was continued from the January hearing and is expected to be continued to the June 24, 2015 Board hearing.)*

Time: 10:06 to 10:07 a.m.

Board Members present: Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Michael R. Brown was excused.

Counsel for the Board: Douglas J. Crapo, Assistant Attorney General, Natural Resources.

Counsel for the Division: Steven F. Alder, Assistant Attorney General, Natural Resources.

Counsel for the Petitioner: Phillip Wm. Lear, and Clifford B. Parkinson, Lear & Lear L.L.P.

This matter was continued to the June 24, 2015, board hearing.

3. Docket No. 2015-001 Cause No. 176-05 – 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 Moroni 11M-1107 Well located in Section 11, Township 15 South, Range 3 East, S.L.M., Sanpete County, Utah.

*(This matter was continued from the March hearing.)*

Time: 10:07 a.m. to 11:50 a.m.

Board Members present: Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Michael R. Brown was excused.

Counsel for the Board: Michael S. Johnson, Assistant Attorney General, Natural Resources.

Counsel for the Division: Steven F. Alder, and John Robinson Jr., Assistant Attorneys General, Natural Resources. Witnesses: Dustin Doucet, and Brad Hill.

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

Witness: Paul Joeckel and Ralph Nelms.

Counsel for the Respondent: Anthony T. Hunter, Esq., Hunter Mineral Law, attorney for International Petroleum Limited Liability Company

Witness: Bryon Wixom.

The Petitioner asked the Board for an order to allow Whiting to continue to flare, produce, and test this well for six months for data collection and then a reasonable period of time for data analysis and require Whiting to come back before the Board in nine months.

The Board granted an interim order to flare for 180 days with a reasonable time period for data analysis and to report back to the board in January 2016. The vote was unanimous. Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon were present to participate at the hearing and vote on the matter. Michael R. Brown was excused. Mr. Tom Clawson will prepare the order.

4. Docket No. 2015-013 Cause No. 139-130 – In the Matter of the Request for Agency Action of EP ENERGY E&P COMPANY, L.P. for an Order pooling all interests, including the compulsory pooling of the interests of ARGO ENERGY PARTNERS, LTD., DUSTY SANDERSON, HUNT OIL COMPANY, KKREP, LLC, and J.P. FURLONG CO., in the drilling unit established for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch Formations comprised of all of Section 2, Township 3 South, Range 5 West, U.S.M., Duchesne County, Utah.

Time: 1:20 p.m. to 5:26 p.m.

Board Members present: Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Michael R. Brown was excused.

Counsel for the Board: Michael S. Johnson, Assistant Attorney General, Natural Resources.

Counsel for the Division: Steven F. Alder, and John Robinson Jr., Assistant Attorneys General, Natural Resources.

Witnesses: Dustin Doucet, and Brad Hill.

Counsel for the Petitioner: Frederick M. MacDonald, MacDonald & Miller Mineral Legal Services, PLLC

Witness: John D. DeWitt, Jr., Michael J. Walcher, and Steven A. Biancardi.

Counsel for the Respondent: Anthony T. Hunter., Esq., Hunter Mineral Law, attorney for J.P. Furlong Co.

Witnesses: Timothy P. Furlong, Ramona Garcia Furlong, and Kruse B. Kemp

The Board heard testimony and evidence in this matter. The Petitioner asked the Board to approve the Request for Agency Action as filed. The Respondent disputes the terms of the joint operating agreement and asks the Board to make a full and fair consideration of the legal issues as presented. The Board took the matter under advisement. Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon were present to participate at the hearing and vote on the matter. Michael R. Brown was excused.

5. Docket No. 2015-014 Cause No. 139-131 – In the Matter of the Request for Agency Action of EP ENERGY E&P COMPANY, L.P. for an Order pooling all interests, including the compulsory pooling of the interests of MARY ELLEN SLEMAKER BENIEN and ALAN AND KAY BLOOD LIMITED LIABILITY COMPANY, LLC, in the drilling unit established for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch Formations comprised of all of Section 12, Township 3 South, Range 5 West, U.S.M., Duchesne County, Utah.

Time: 11:50 a.m. to 12:06 p.m.

Board Members present: Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Michael R. Brown was excused.

Counsel for the Board: Michael S. Johnson, Assistant Attorney General, Natural Resources.

Counsel for the Division: Steven F. Alder, Assistant Attorney General, Natural Resources. Witnesses: Dustin Doucet, and Brad Hill.

Counsel for the Petitioner: Frederick M. MacDonald, MacDonald & Miller Mineral Legal Services, PLLC

Witness: John D. DeWitt, Jr., Michael J. Walcher, and Steven A. Biancardi.

The Board heard testimony and evidence in this matter. The Petitioner requested a 300% non-consent penalty. The Board approved the Request for Agency Action as written by unanimous vote. Ruland J. Gill, Jr., Chairman, Richard K. Borden, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon were present to participate at the hearing and vote on the matter. Michael R. Brown was excused. Mr. Frederick M. MacDonald will prepare the order.

The meeting adjourned at 5:26 p.m.