

**AUGUST 26, 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, August 26, 2015, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

**ATTENDEES:**

**Board Members**

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

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

Michael S. Johnson, AAG, representing the Board  
Steven F. Alder, AAG, representing the Division  
John Robinson Jr., AAG, O'Hara Scholar, representing the Division  
Fred Donaldson AAG, representing the Division of Forestry Fire and State Lands  
Melissa Reynolds, AAG, O'Hara Scholar

**Division of Oil, Gas and Mining**

John R. Baza, Division Director  
Sheri Sasaki, Admin. Assistant  
Steven L. Schnieder, Admin. Policy Coordinator  
Hollie Brown, Public Information Officer  
Julie Ann Carter, Board Secretary  
John C. Rogers, Assoc. Director, Oil & Gas  
Dana Dean, Assoc. Director, Mining  
Paula Dupin-Zahn, Financial Manager  
Dayne Doucet, Petroleum Engineer  
Dustin Doucet, Petroleum Engineer  
Brad Hill, Oil & Gas Permit Mgr  
Randy Thackeray, Audit Mgr.  
Josh Payne, Oil & Gas Program  
Ammon Mac Donald, Oil & Gas Program  
Bart Kettle, Oil & Gas Program  
Lisha Cordova, Oil and Gas Program  
Paul Baker, Mining Program Manager  
April Abate, Mining Program

## **Alpine Court Reporting**

Michelle Mallonee, R.P.R., C.S.R.

### **Members of the Public and Other Agencies:**

Lowell Braxton, Western Energy Alliance

Lee Peacock, Utah Petroleum Association

Cliff Parkinson, Lear and Lear

Frederick M. MacDonald, MacDonald & Miller Mineral Legal Services PLLC

Alair Emory, Office of Energy Development

Robyn Pearson, Deputy Director, Department of Natural Resources

Melvin Capitan, Montezuma Well Service

Teale P. Stone, Bill Barrett Corporation

David M. Watts, Bill Barrett Corporation

Brent A. Murphy, Bill Barrett Corporation

### **Briefing Session:**

The Chairman, Ruland J Gill, Jr., called the meeting to order at 8:00 a.m. John R. Baza, Division Director, conducted the Briefing Session.

1. Potential Congressional Lands Legislation

Director John Baza reported that this is a Public Lands Initiative involving Summit, Uintah, and Duchesne counties. It is a collaborative effort among Utah congressman to focus on a bill to provide protection for sensitive Utah lands.

2. September Field Trip

The September Board meeting will be on Wednesday the 16th in Salt Lake City. The field trip will be on Thursday, September 17. The Board will tour the Skyline mine.

3. Other

- Introduction of New Employees: Tom McKay, Hollie Brown, and Sheri Sasaki

4. Next Month's Agenda and Division Calendar

- The Board is invited to attend the Uintah Basin Energy Summit
- The next IOGCC meeting is in Oklahoma City on the last week of September
- The next Uintah Basin Oil and Gas Collaborative meeting is on October 8th in Vernal, Utah. The topic will be on the "Frac Focus" website. The Board is invited to attend.
- The next Board hearing is on October 28th.

5. Opportunity for Public Comment

The Board Chairman opened the meeting for public comment. Comments were given by Lee Peacock, Utah Petroleum Association regarding the downturn in oil prices and the effect it is having on operators and the state, and also on the Public Lands Transfer initiative.

Comments were also given by Lowell Braxton, Western Energy Advocates. Mr. Braxton reported on the Public Lands initiative and the Moab Master Leasing Plan.

Seeing no further members of the public coming forward to comment, the Chairman adjourned the briefing session at 8:30 a.m. The hearing will begin at 9:00 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 9:00 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. 2009-015 Cause No. WD-04-2009 – In the Matter of the Request for Agency Action of Utah Division of Oil, Gas, and Mining for a Cessation Order and Civil Penalties Against Montezuma Well Service, Inc., and Earl Martinez, Owner and Operator of the Montezuma Creek Waste Disposal Facility Section 14, T 40 So., R. 22 East, San Juan County, Utah.

*(Continued from the August 27, 2014, Board Hearing. The Division will report on Montezuma's efforts to address clean-up issues.)*

Time: 10:46 a.m. to 11:22 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. Richard K. Borden 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: Lisha Cordova, Bart Kettle, and Brad Hill.

On Behalf of Montezuma Well Service: Melvin Capitan, Manager.

The Division gave a report on progress made on reclamation of the land farm and evaporation pits at the water disposal facility currently owned and operated by Montezuma Well Service.

Melvin Capitan, Manager at Montezuma Well Service, gave additional information about plans for continued cleanup of the site. Montezuma Well Service continues to be in compliance with the requirements set forth in the original Board Order and the Stipulation.

The Board continued the matter for one year by unanimous vote. Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon were present to participate at the hearing and vote on this matter. Richard K. Borden was excused.

2. Docket No. 2015-022 Cause No. 131-140 – In the Matter of the Request for Agency Action of BILL BARRETT CORPORATION for an Order pooling all interests, including the compulsory pooling of the interests of certain non-consenting or unlocatable owners, in Special Drilling Unit #17, established for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch Formations, comprised of Lot 1 of Section 16, and Lots 1 through 5, W½SE¼, SW¼ and E½NW¼ of Section 17, Township 2 South, Range 2 East, USM, and Lots 1 through 4, NE¼ and E½SE¼ [a/k/a Resurvey No. 42] of Section 9, Township 6 South, Range 19 East, SLM, Uintah County, Utah.

Time: 9:00 a.m. to 10:27 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. Richard K. Borden was excused.

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

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

Witnesses: Dustin Doucet, and John Rogers.

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

Witnesses: Teale P. Stone, David M. Watts, and Brent A. Murphy.

Forestry Fire and State Lands: Fred Donaldson, Assistant Attorneys General, Natural Resources Division.

The Petitioner asked the Board to approve the Request as submitted. The Division is in support of the Request. The Division of Forestry Fire and State Lands does not object. The Board granted the petition as submitted by unanimous vote. Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon were present to participate at the hearing and vote on this matter. Richard K. Borden was excused. Mr. Frederick M. MacDonald will prepare the order.

3. Docket No. 2015-023 Cause No. S/049/0050 – *In the matter of*: reclamation at the Elite Rock-West Mine, Permit No. S/049/050, operated by Wasatch Mountain Excavating, located southwest of Elberta in the Southwestern Utah County, Utah.

Time: 10:30 a.m. to 10:30 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. Richard K. Borden was excused.

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

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

Witness: Paul Baker, and April Abate.

This matter was continued to September hearing.

The hearing adjourned at 11:37 a.m.