

**DECEMBER 9, 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, December 9, 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 (Excused)  
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  
Melissa L. Reynolds, AAG, O'Hara Scholar

**Division of Oil, Gas and Mining**

John R. Baza, Division Director  
Sheri Sasaki, Admin. Assistant  
Hollie Brown, Public Information Officer  
Steve L. Schneider, Admin. Policy Coordinator  
Julie Ann Carter, Board Secretary (Excused)  
John Rogers, Assoc. Director, Oil and Gas Program  
Dana Dean, Assoc. Director, Mining Program  
April Abate, Minerals Program  
Randy Thackeray, Audit Mgr., Oil and Gas Program  
Brad Hill, Permit Mgr., Oil and Gas Program  
Dustin Doucet, Petroleum Engineer, Oil and Gas Program  
Joshua Payne, Compliance Manager  
Dayne Doucet, Petroleum Engineer, Oil and Gas Program  
Amy Doebele, Oil & Gas Program  
Dan Jarvis, Oil & Gas Program

**Department of Natural Resources**

Mike Styler, Director

**Governors Watershed Initiative**

Alan Clark, Watershed Program Director

**Alpine Court Reporting**

Michelle Mallonee, RPR

**Lear & Lear, LLP**

Clifford B. Parkinson, Esq., and Phillip Wm. Lear, Esq., attorneys for Rig II, LLC

**Fox Rothschild, LLP**

Brent D. Chicken, Esq., attorney for Crescent Point Energy U.S. Corporation

**Crescent Point Energy U.S. Corporation**

Ryan Waller, District Landman

Laura Roberts, Senior Geologist

Katie Matthews, Development Engineer

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

Frederick M. MacDonald, Esq. and Seth A. Loughmiller, Esq., attorneys for Ultra Resources, Inc.

**Ultra Resources, Inc.**

Craig Blancett, Director of Land

Alec Long, Senior District Geologist

David Wahl, Reservoir Engineering Advisor

**BRIEFING SESSION:**

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

Mr. Baza opened the meeting with an introduction of new employee, Amy Doebele, who will be working in the Oil & Gas Program's office in Vernal. Mr. Baza then acknowledged visitors from the Idaho Department of Lands; Tom Schulz, Director; Diane French, Deputy Director; Jim Classen, Commissioner of the Oil & Gas Conservation Commission; Margaret Chipman, Vice-Chair of the Oil & Gas Conservation Commission; Christina Fugate, Deputy Attorney General; Carla Arledge, PIO; and Abbie Leads, State Senator. The Board welcomed the visitors from Idaho.

Next, Mr. Baza gave the floor to Mr. Mike Styler, Director of the Department of Natural Resources, who introduced the Governors Watershed Initiative, and Alan Clark, Watershed Program Director. Mr. Clark gave a report on the Governors Watershed Initiative.

1. Interstate Mining Compact Commission Update

Ms. Dana Dean, Associate Director, Mining Program, was scheduled to give a report on the recent IMCC meeting, but due to a shortage of time her report was skipped over in favor of hearing an update from the Abandoned Mine Program, and an update from the Coal Program.

2. Abandoned Mine Reclamation Program Year End Review  
Steve Fluke, Manager of the Abandoned Mine Program. gave the Board an update on activities performed by the program this year.
3. Coal Program Year End Review  
Daron Haddock, Program Manager, gave the Board an update on activities performed by the program this year.
4. Other
  - Update on Earth Day Award process.
5. Next Month's Agenda and Division Calendar  
No report was given.
6. Opportunity for Public Comment  
The Chairman opened the meeting for public comments. Seeing none, the meeting adjourned until 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. 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 September hearing.)*

Time: 9:19 a.m. to 9:37 a.m.

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

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

The Petitioner asked the Board for an order that, first, acknowledges the leasing of the UDOT and Indian lands; second, acknowledges the voluntary pooling of the UDOT lease; third, acknowledges the adjustment of the acreage weighted average landowners royalty as 16.95 percent; and fourth, dismisses this matter as to the Indian lands, given the issuance of Indian allotted lands leases and the anticipated ultimate communitization thereof. The Board approved the Request by unanimous vote. Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Carl F. Kendell, and Gordon L. Moon were present to participate in the hearing and vote on this matter. Richard K. Borden and Chris D. Hansen were excused.

2. [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.

*(This matter was continued from the October 28, 2015, Board hearing.)*

Time: 9:37 a.m.to 9:44 a.m.

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

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

Counsel for the Division: John Robinson Jr., Assistant Attorneys General, Natural Resources.

The Division asked the Board to approve the joint motion to continue and move this hearing to the regularly scheduled January date. The Board granted the motion by unanimous vote. Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Carl F. Kendell, and Gordon L. Moon were present to participate in the hearing and vote on this matter. Richard K. Borden and Chris D. Hansen were excused. Mr. John Robinson will prepare the order.

3. [Docket No. 2015-026 Cause No. 131-141](#) – In the Matter of the Request for Agency Action of CRESCENT POINT ENERGY U.S. CORPORATION for an order: (1) partially vacating the Board’s Order in Docket No. 2011-012, Cause No. 142-05 as to certain lands; (2) vacating the Board’s Order in Docket No. 2104-023, Cause No. 131-138; and (3) establishing vertical 640-acre and 1,280 acre drilling units for the production of oil, gas and associated hydrocarbons from the Lower Green River and Green River-Wasatch Formations in portions of Townships 3 and 4 South, Ranges 1 and 2 East, U.S.M., Uintah County, Utah.

Time: 10:59 a.m. to 3:38 p.m.

Board Members present: Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Carl F. Kendell, and Gordon L. Moon. Richard K. Borden and Chris D. Hansen were 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, Brad Hill, Josh Payne, and John Rogers.

Counsel for the Petitioner: Jack R. Luellen, and Brent D. Chicken, Fox Rothschild LLP  
Witnesses: Ryan Waller, Laura Roberts, and Katie Matthews.

The Board continued this matter until the January 2016 hearing, subject to a new notice of the petition as amended being generated with an opportunity for public response. Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Carl F. Kendell, and Gordon L. Moon were present to participate in the hearing and vote on this matter. Richard K. Borden and Chris D. Hansen were excused.

4. [Docket No. 2015-028 Cause No. 270-07](#) – In the Matter of the Request for Agency Action of ULTRA RESOURCES, INC. for approval of pilot waterflood operations in the Eocene Middle and Lower Green River Formations comprised of the SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub> and the W<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub> of Section 2, Township 8 South, Range 20 East, S.L.M., Uintah County, Utah, and the S<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, and the NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 3, Township 8 South, Range 20 East, S.L.M., Uintah County, Utah, respectively, and certification of said operations as enhanced recovery projects.

Time: 9:44 a.m. to 10:40 a.m.

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

Counsel for the Board: Michael S. Johnson, AAG, Utah Attorney General’s Office, Natural Resources Division.

Counsel for the Division: Steven F. Alder, AAG, Utah Attorney General's Office, Natural Resources Division.

Counsel for the Petitioner: Frederick M. MacDonald, and Seth A. Loughmiller, MacDonald & Miller Mineral Legal Services, PLLC  
Witnesses: Craig Blancett, Alec Long, and David Wahl.

The Board approved the Request for Agency Action as written by unanimous vote. Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Carl F. Kendell, and Gordon L. Moon were present to participate in the hearing and vote on this matter. Richard K. Borden and Chris D. Hansen were excused. Mr. Loughmiller will prepare the order.

5. [Docket No. 2015-029 Cause No. S/047/0119](#) – In the matter of: reclamation at the BMC Seep's Ridge Road Pit mine, permit no. S/047/0119, operated by Blue Mountain Crushing, LLC, located in the Uintah and Ouray Reservation in southeastern Uintah County, Utah.

Time: 3:38 p.m. to 4:09 p.m.

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

Counsel for the Board: Michael S. Johnson, AAG, Utah Attorney General's Office, Natural Resources Division.

Counsel for the Division: Melissa Reynolds, AAG, Utah Attorney General's Office, Natural Resources Division.  
Witness: April Abate.

The Petitioner asked the Board for an order forfeiting a reclamation surety and authorizing the Division to use that money to reclaim the BMC Seep's Ridge Road Pit Mine. The Board approved the Division's request as stated by unanimous vote. Ruland J. Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Carl F. Kendell, and Gordon L. Moon were present to participate in the hearing and vote on this matter. Richard K. Borden and Chris D. Hansen were excused.

The meeting adjourned at 4:10 p.m.