

MAY 24, 2017 MEETING MINUTES
BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH



A public meeting will be held at 9:00 a.m. on Wednesday, May 24, 2017, in the Council Chambers of the Vernal City Offices, 374 East Main Street, Vernal, Utah.

On Tuesday, May 23, the Board will tour oil and gas operations in Uintah County. The public is invited to attend but must provide their own transportation and lunch. The Board will depart from the north parking lot of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, at 7:30 a.m.

ATTENDEES:

Board Members:

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

Utah Attorney General's Office, Natural Resources Division:

Meg Osswald, AAG, representing the Board
Steven F. Alder, AAG, representing the Division

Division of Oil, Gas and Mining:

John R. Baza, Division Director
Sheri Sasaki, Administrative Assistant
John Rogers, Assoc. Director, Oil and Gas Program
Brad Hill, Permit Mgr., Oil and Gas Program
Dana Dean, Assoc. Director, Mining Program
Hollie Brown, Public Information Officer
James Owen, Research Consultant
Julie Ann Carter, Board Secretary

MacDonald and Miller Mineral Legal Services, PLLC

Frederick M. MacDonald, Esq.

Wesco Operating, Inc.

D. Steven Degenfelder, Landman
Mike Bingle-Davis, Geologist
Thomas C. Kirkwood, Petroleum Engineer

Members of the Public

Mr. Ron Winterton, Duchesne County Commissioner

Mr. Bill Stringham, Chairman of the Uintah County Commission

Mr. Duane Shephard, Uintah County Commissioner

BRIEFING SESSION:

The Chairman, Ruland J. Gill, Jr., called the meeting to order at 9:00 a.m. Mr. John R. Baza, Director of the Division of Oil, Gas, and Mining, conducted the briefing session.

1. Briefing on IOGCC Meeting, Oklahoma City, May 7-9, 2017

Mr. John C. Rogers reported on the recent IOGCC meeting that he attended in Oklahoma City Oklahoma, on May 7 through 9. Mr. Rogers reported on business of the meeting.

2. Five-Year Review of Board's Procedural Rules

Mr. James C. Owen gave a report on the Boards Procedural Rules which are up for five-year review and renewal. The Office of Administrative Rules notified the Division that the Boards Procedural Rules are up for review. The Division has completed an internal review of the Board's Procedural Rules to determine if the rules are still necessary, and sent them to the Informal Rules Review Group for review and comment. The comment period has closed. The Bureau of Land Management and the Office of Surface Mining sent in comments indicating they had no recommendations for modifications. The Division requested approval from the Board to proceed with renewal of the Board's Procedural Rules. The Board granted their approval by unanimous vote. Ruland J. Gill, Jr, Chairman, Chris D. Hansen, Vice-Chairman, Michael R. Brown, Susan S. Davis, and Carl F. Kendell were present to vote. Richard K. Borden and Gordon L. Moon were excused.

3. Other

- Four Board members have been renewed by the Governor for an additional term: Ruland J Gill, Jr., Michael R. Brown, Susan S. Davis, and Gordon L. Moon.

4. Next Month's Agenda and Division Calendar

- The next hearing is on Wednesday, June 28, 2017.
- The next Oil and Gas Collaborative meeting is on Thursday, July 13, 2017.

5. Opportunity for Public Comment

Chairman Gill opened the meeting for public comment. Comments were heard from the following members of the public:

- Commissioner Ron Winterton had comments regarding a bill (SB 189) that would abolish drilling in city limits
- Bill Stringer, Chairman, Uintah County Commission led a discussion of SB 189. Uintah County was taken by surprise by the bill. The County is supportive of DOGM to continue to have authority over oil and gas wells. Collaboration between private landowners and Oil and Gas companies has gotten better. Very happy to work with the Board.

- Duane Shephard, Uintah County Commission thanked the Board for spending the time in Vernal visiting the Bonanza Power Plant and the city. Mr. Shephard commented on SB 189.

Seeing no further comments, the Briefing Session adjourned at 9:50 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 10:00 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. 2017-012 Cause No. 166-09](#) – In the matter of the Request for Agency Action of WESCO OPERATING, INC. for an order establishing a special drilling unit for the Threemile Unit 12-2-29-21 Horizontal Well for the production of oil and associated gas and hydrocarbons from the Cane Creek Shales comprised of portions of Sections 1 and 12, Township 29 South, Range 21 East, SLM, and Section 6, Township 29 South Range 22 East, SLM, San Juan County, Utah.

Time: 10:13 a.m. - 10:53 a.m.

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

Counsel for the Board – Meg Osswald, Assistant Attorney General, Utah Attorney General’s Office, Natural Resources Division.

Counsel for the Division – Steven F. Alder, Assistant Attorneys General, Utah Attorney General’s Office, Natural Resources Division.

Witnesses: Brad Hill, John C. Rogers

Counsel for Wesco Operating, Inc. – Frederick M. MacDonald, Esq., MacDonald & Miller Mineral Legal Services, PLLC.

Witnesses: D. Steven Degenfelder, Mike Bingle-Davis, and Thomas C. Kirkwood.

Mr. MacDonald requested that the Board grant the petition as requested. The Division supports the request. The Board approved the request for agency action as written, by unanimous vote. Ruland J Gill, Jr., Chairman, Michael R. Brown, Susan S. Davis, Chris D. Hansen, and Carl F. Kendell were present to participate in the hearing and vote on the matter. Richard K. Borden and Gordon L. Moon. were excused.

The hearing adjourned at 10:53 a.m.

DRAFT JUNE AGENDA
BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
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A public meeting will be held on Wednesday, June 28, 2017, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. The meeting will be streamed live on the Department of Natural Resources YouTube channel. The link for the Briefing Session is _____, and the link for the Board Hearing is _____.

The Division of Oil, Gas and Mining will conduct a Briefing Session at 9:00 a.m.:

- 1.
 - 2.
 3. Other
 4. Next Month's Agenda and Division Calendar
 5. Opportunity for Public Comment
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The Board will hear the following Matter at 10:00 a.m.:

1. Docket No. 2017-014 Cause No. 131-151 – In the matter of the Request for Agency Action of CRESCENT POINT ENERGY U.S. CORPORATION for an order amending the Board's order in Docket No. 2017-007, Cause No. 131-150 to cover an additional governmental section, establish 16 additional 40-acre drilling units therein, and establish 1 overlapping 640-acre drilling unit therein, for the production of oil, gas and associated hydrocarbons from the Lower Green River and Green River-Wasatch Formations in Section 17, Township 3 South, Range 1 East, U.S.M., Uintah County, Utah.
2. Docket No. 2017-015 Cause No. 139-145 – In the matter of the Request for Agency Action of NEWFIELD PRODUCTION COMPANY for an order granting an exception location for the Knoll 13-10-4-2-15-7H short lateral horizontal well located in Sections 10 and 15, Township 4 South, Range 2 West, USM, Duchesne County, Utah.
3. Docket No. 2017-016 Cause No. 139-146 – In the matter of the Request for Agency Action of LINN ENERGY HOLDINGS, LLC for an order force pooling the interests of all owners refusing or failing to bear their proportionate share of the cost of drilling and operating the Galloway 3-11B2 Well, located in the drilling spacing unit for production of oil, gas, and associated hydro-carbons from the Lower Green River and Wasatch Formations covering all of Section 14, Township 2 South, Range 2 West, USM, Duchesne County, Utah.

