

**SEPTEMBER 27, 2017, MEETING MINUTES  
OF THE REGULARLY SCHEDULED MEETING  
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, September 27, 2017, at the Department of Natural Resources in rooms 1040 and 1050, 1594 West North Temple, Salt Lake City, Utah. The meeting was streamed live on the Department of Natural Resources YouTube channel. The link for the Briefing Session is <https://youtu.be/K-degD2MB9w>, and the link for the Board Hearing is <https://youtu.be/63i5RkTmMzM>.

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**ATTENDEES:**

**Board Members:**

Ruland J. Gill, Jr, Chairman  
Chris D. Hansen, Vice Chair  
Richard K. Borden, Excused  
Michael R. Brown, Excused  
Susan S. Davis  
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  
Meg Osswald, AAG, representing the Division  
Emma Whitaker, AAG, representing the Division

**Division of Oil, Gas and Mining:**

John R. Baza, Division Director  
James Owen, Research Consultant  
John Rogers, Assoc. Director, Oil and Gas Program  
Dana Dean, Assoc. Director, Mining Program, Excused  
Hollie Brown, Public Information Officer  
Natasha Ballin, Admin. Assistant  
Julie Ann Carter, Board Secretary  
Brad Hill, Permit Mgr., Oil and Gas Program  
Dustin Doucet, Petroleum Engineer, Oil and Gas Program  
Ammon McDonald, Oil and Gas Program

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

Frederick M. MacDonald, Esq.

**Finley Resources Inc.**

Scott Pitzer, Landman

Gary Lauman, Exploration/Exploitation Manager (Geology)

Patrick Porter, Exploitation Manager (Reservoir Engineering)

**Ray Quinney & Nebeker P.C.**

Kelly A. Williams, Esq.

**Hewitt Operating Inc**

Larry Chambers, 4Corners Well Service, Inc., President

David A. Wavrek, PhD., Petroleum Systems International Inc., President

Doug Hewitt, Hewitt Operating Inc.

Jeremiah Burton

Chris Cannon

**Members of the Public**

Mr. Terry Marasco, Utah Mountains of Clean Air

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**BRIEFING SESSION:**

The Chairman of the Board, 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.

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

1. October Field Trip

The Division has planned a field trip for the Board tour Compass Minerals' Great Salt Lake Mine in Weber County, Utah.. The field trip will be on Tuesday, October 24, 2017.

2. Commission for Stewardship of Public Lands Letter

Mr. John R. Baza, Director, reported on a letter received from the Commission for Stewardship of Public Lands regarding the Public Lands Transfer. The Commission has requested information from the Division regarding how a potential public lands transfer would affect the Division.

Ms. Emma Whitaker, O'Hara fellow, DNR AG's office, reported on actions that will be taken to respond to the Commission's request for information.

3. Proposed Board Hearing Schedule for 2018

Mr. John R. Baza presented the proposed Board hearing schedule for 2018 to the Board members. Mr. Gill requested that the January hearing dates for 2018 and 2019 be moved one week. The proposed hearing schedule will be updated to include the requested changes and the Board will be asked to ratify the schedule for 2018 at the October Board Hearing.

4. Other
  - Congratulations to Ms. Emma Whitaker and Mr. James Owen for passing the bar exam.
  - Discussion of the Board's Holiday Social.
5. Next Month's Agenda and Division Calendar
  - The next Uintah Basin Oil and Gas Collaborative meeting is in Duchesne on October 12, 2017.
  - The next Board hearing will be on October 25, 2017.

6. Opportunity for Public Comment

The Board Chairman, Ruland J Gill, Jr., opened the meeting for public comment. Comments were taken from Mr. Terry Marasco, representing Utah Mountains of Clean Air, 260 South 500 East, Salt Lake City, Utah 84102, regarding Kennecott's bond status, and a hypothetical public lands transfer.

Seeing no other comments, the briefing session adjourned at 9:50 a.m. The formal portion of the meeting is scheduled to begin at 10:00 a.m.

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The Board will hear the following Matters at 10:00 a.m.:

1. [Docket No. 2017-013 Cause No. RO&G-2017-01](#) – In the matter of Rulemaking to further define the manner in which an owner consents to the drilling and operation of a well and agrees to bear the owner's proportionate share of the costs as referenced in the recently-amended definitions of "Consenting Owner" and "Nonconsenting Owner" found at Utah Code Section 40-6-2(4) and 40-6-2(11).

Time: 10:07 a.m. to 10:00 a.m.

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

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

Counsel for the Division – Steven F. Alder, Meg Osswald, and Emma Whitaker, Assistant Attorneys General, Utah Attorney General's Office, Natural Resources Division.

Witnesses: Dustin Doucet, Brad Hill, Josh Payne, and John Rogers.

Mr. Ruland J Gill, Jr., reported on the status of this rulemaking. The Board plans to take and invite significant input from affected parties on future rulemaking. The board directed the Division to start the informal rule making process.

Mr. Ruland J. Gill, Jr, Chairman, Mr. Chris D. Hansen, Vice-Chair, Ms. Susan S. Davis, Mr. Carl F. Kendell, and Mr. Gordon L. Moon were present to participate at the hearing and vote on the matter. Mr. Richard K. Borden, and Mr. Michael R. Brown were excused.

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.

*(Newfield will provide an update regarding efforts to comply with the requirements of the Board's Emergency Order. At the Board's discretion, the Emergency Order may be extended through to the October 25, 2017, Board hearing.)*

Time: 10:11 a.m. to 10:19 a.m.

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

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

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

Counsel for Newfield Production Company: Frederick M. MacDonald, Esq., MacDonald & Miller Legal Services, PLLC.

Mr. Frederick M. MacDonald gave an update regarding Newfield's efforts to comply with the requirements of the Board's Emergency Order. Newfield requested a continuance of the Emergency Order to the January 2018 hearing. The Division is in support of this request. The Board granted the request by unanimous vote.

Mr. Ruland J. Gill, Jr, Chairman, Mr. Chris D. Hansen, Vice-Chair, Ms. Susan S. Davis, Mr. Carl F. Kendell, and Mr. Gordon L. Moon were present to participate at the hearing and vote on the matter. Mr. Richard K. Borden, and Mr. Michael R. Brown were excused.

3. [Docket No. 2017-021 Cause No. 248-02](#) – In the matter of the Notice of Agency Action for an order forfeiting Surety Bond Nos. RLB10790 and 2827 provided by GORDON CREEK ENERGY, INC. and authorizing the Division to plug and reclaim 9 wells located in Township 13S Range 8E, Sections 31 and 32 and Township 14S Range 8E, Sections 5, 19, 20, 29 and 30, Carbon County, Utah.

*(This matter was continued from the August 23, 2017, Board Hearing.)*

Time: 10:19 a.m. to 10:28 a.m.

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

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

Counsel for the Division: Meg Osswald, Assistant Attorney General, Utah Attorney General's Office, Natural Resources Division.

Witnesses: Dustin Doucet, and Brad Hill.

Counsel for Gordon Creek Energy, Inc.: Brian A. Taylor, Esq., Brian Taylor Law. Not Present.

Ms. Meg Osswald updated the Board on the status of negotiations with Gordon Creek Energy, Inc., and the resulting stipulation. If Gordon Creek Energy, Inc. does not meet the requirements of the stipulation then the Division will move the Board to enter an order against Gordon Creek Energy, Inc. If Gordon Creek Energy, Inc. does meet the requirements of the stipulation then the Division will move the Board to dismiss this matter. No action is required by the Board at this time.

Mr. Ruland J. Gill, Jr, Chairman, Mr. Chris D. Hansen, Vice-Chair, Ms. Susan S. Davis, Mr. Carl F. Kendell, and Mr. Gordon L. Moon were present to participate at the hearing. Mr. Richard K. Borden, and Mr. Michael R. Brown were excused.

4. [Docket No. 2017-023 Cause No. 270-08](#) – In the matter of the Request for Agency Action of FINLEY RESOURCES INC. for an order establishing 40-acre drilling units for the production of oil, gas and associated hydrocarbons from the Eocene Middle and Lower Green River Formations and Portions of the Paleocene Wasatch Transitional Formations, comprised of portions of Sections 14-16, 22 and 23, Township 7 South, Range 20 East, SLM, Uintah County, Utah, and authorizing up to two (2) producing wells on each such drilling unit so established.

Time: 10:28 a.m. to 11:23 a.m.

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

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

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

Witnesses: Dustin Doucet, Brad Hill, John Rogers.

Counsel for Finley Resources Inc.: Frederick M. MacDonald, Esq., MacDonald & Miller Legal Services, PLLC.

Witnesses: Scott Pitzer, Gary Lauman, and Patrick Porter.

The Petitioner requested that the Board approve the request as filed. The Division supports the request. The Board granted the request by unanimous vote.

Mr. Ruland J. Gill, Jr, Chairman, Mr. Chris D. Hansen, Vice-Chair, Ms. Susan S. Davis, Mr. Carl F. Kendell, and Mr. Gordon L. Moon were present to participate at the hearing and vote on the matter. Mr. Richard K. Borden, and Mr. Michael R. Brown were excused.

5. [Docket No. 2017-020 Cause No. 274-02](#) – In the matter of the Notice of Agency Action for an order forfeiting Surety Bond No. RLB0012264 provided by HEWITT OPERATING INC. and authorizing the Division to plug and reclaim the Liberty #1 Well API 43-023-30020 located in Section 34, Township 12S, and Range 1E, Juab County, Utah.

*(This matter was continued from the August 23, 2017, Board Hearing.)*

Time: 11:35 a.m. to 5:14 p.m.

Board Members present – Ruland J. Gill, Jr, Chairman, Chris D. Hansen, Vice-Chair, Susan S. Davis, and Gordon L. Moon. Carl F. Kendell was recused from this matter and excused from the meeting. Richard K. Borden, and Michael R. Brown were excused.

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

Counsel for the Division: Meg Osswald,, and Steven F. Alder, Assistant Attorneys General, Utah Attorney General's Office, Natural Resources Division.

Witnesses: John Rogers, Ammon McDonald, and Dustin Doucet.

Counsel for Hewitt Operating Inc., and Entrada Energy Corporation: Kelly A. Williams, Esq., Ray Quinney & Nebeker P.C.

Witnesses: Larry Chambers, David A. Wavrek, Doug Hewitt, Jeremiah Burton, and Chris Cannon.

Counsel for J. David Gowdy, Landowner: Mitchell S. Maio, Esq., Lear & Lear PLLC.

The Division presented testimony and evidence regarding the status of the Liberty #1 Well. The Division is requesting that the Board forfeit the surety bond for the Liberty #1 Well and authorize the Division to plug and reclaim the well. Hewitt Operating Inc. refutes the Divisions claims regarding rule violations and the ability for Liberty #1 Well to become a producing well. The Board decided that, because of late filings and the nature of the way the hearing was

proceeding, that this matter would be continued to next month. The Board will issue a directive in a couple of days. This matter is continued to the October 25, 2017 Board Hearing.

Mr. Ruland J. Gill, Jr, Chairman, Mr. Chris D. Hansen, Vice-Chair, Ms. Susan S. Davis, and Mr. Gordon L. Moon were present to participate at the hearing and vote on the matter. Mr. Carl F. Kendell was recused from this matter and excused from the meeting. Mr. Richard K. Borden, and Mr. Michael R. Brown were excused.

The meeting adjourned at 5:14 p.m.

**STATE OF UTAH**  
**BOARD OF OIL, GAS & MINING**  
**[PROPOSED] HEARING SCHEDULE FOR YEAR 2018**

<b>HEARING DATE</b>	<b>PETITIONER'S Deadline To File Request For Agency Action</b>
01/24/2018	12/11/2017
02/28/2018	01/10/2018
03/28/2018	02/12/2018
04/25/2018	03/12/2018
05/23/2018	04/10/2018
06/27/2018	05/10/2018
07/25/2018	06/11/2018
08/22/2018	07/10/2018
09/26/2018	08/10/2018
10/24/2018	09/10/2018
12/05/2018	10/15/2018
01/23/2019	12/10/2018



**STATE OF UTAH  
BOARD OF OIL, GAS & MINING  
HEARING SCHEDULE FOR YEAR 2018**

**(INCLUDES DEADLINES FOR DIVISION STAFF)**

<b>Board Hearing Month</b>	<b>Petitioner-Deadline to file RAA</b>	<b>Petitioner-Deadline to submit Exhibits</b>	<b>Division-Deadline to approve Notices for publication</b>	<b>Respondent-Deadline to file Motions &amp; Responses</b>	<b>Division-15 Day deadline to serve &amp; publish NOH</b>	<b>HEARING DATE</b>
<b>JAN</b>	12/11/2017	12/26/2017	12/22/2017	01/10/2018	01/09/2018	01/24/2018
<b>FEB</b>	01/10/2018	01/29/2018	01/30/2018	02/12/2018	02/13/2018	02/28/2018
<b>MAR</b>	02/12/2018	02/26/2018	02/27/2018	03/12/2018	03/13/2018	03/28/2018
<b>APR</b>	03/12/2018	03/26/2018	03/27/2018	04/10/2018	04/10/2018	04/25/2018
<b>MAY</b>	04/10/2018	04/23/2018	04/24/2018	05/09/2018	05/08/2018	05/23/2018
<b>JUN</b>	05/10/2018	05/29/2018	05/29/2018	06/11/2018	06/12/2018	06/27/2018
<b>JUL</b>	06/11/2018	06/25/2018	06/26/2018	07/10/2018	07/10/2018	07/25/2018
<b>AUG</b>	07/10/2018	07/23/2018	07/31/2018	08/08/2018	08/07/2018	08/22/2018
<b>SEP</b>	08/10/2018	08/27/2018	08/28/2018	09/10/2018	09/11/2018	09/26/2018
<b>OCT</b>	09/10/2018	09/24/2018	09/25/2018	10/10/2018	10/09/2018	10/24/2018
<b>DEC</b>	10/15/2018	11/05/2018	11/06/2018	11/19/2018	11/20/2017	12/05/2018
<b>JAN</b>	12/10/2018	12/24/2018	12/21/2018	01/09/2018	01/08/2019	01/23/2019

**DRAFT OCTOBER AGENDA**  
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 will be held on Wednesday, October 25, 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 <https://youtu.be/MILZkWKkA>, and the link for the Board Hearing is <https://youtu.be/iLQpQHDI1RAU>.

On Tuesday, October 24, the Board will tour oil, gas, and mining sites in \_\_\_\_\_ 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.

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

- 1.
- 2.
3. Proposed Board Hearing Schedule for 2018
4. Other
5. Next Month's Agenda and Division Calendar
6. Opportunity for Public Comment

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The Board will hear the following Matters at 10:00 a.m.:

1. [Docket No. 2017-024 Cause No. 139-149](#) – In the matter of the Request for Agency Action of AXIA ENERGY II, LLC for an order modifying the Board's orders entered in Cause Nos. 131-14, 139-42, 139-84 and 139-90 to establish 1,280 acre (or substantial equivalent) drilling units for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch (Colton) Formations, comprised of Sections 14, 15, 16, 17, 18, 20, 21, 22 and 23 of Township 2 South, Range 2 West, USM, Duchesne County, Sections 18 and 19 of Township 2 South, Range 1 West, USM, Duchesne County, Sections 14 and 23 of Township 2 South, Range 1 West, USM, Uintah County and Section 13 of Township 2 South, Range 3 West, USM, Duchesne County, Utah.
2. [Docket No. 2017-025 Cause No. 270-09](#) – In the matter of the Request for Agency Action of ULTRA RESOURCES, INC. for approval of waterflood operations in the Eocene Middle and Lower Green River Formations in the S<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub> and N<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub> of Section 4, Township 8 South, Range 20 East, SLM, Uintah County, Utah, and certification of said operations as an enhanced recovery project.

*(more)*

## Board Agenda for October 25, 2017

3. [Docket No. 2017-026 Cause No. 142-15](#) – In the matter of the Request for Agency Action of FINLEY RESOURCES INC. for an order establishing drilling units for the production of oil, gas and associated hydrocarbons from the Eocene Middle and Lower Green River Formations and Portions of the Paleocene Wasatch Transitional Formations, comprised of portions of Sections 11, 14, 25 and 35, Township 4 South, Range 2 East, USM and Section 6, Township 5 South, Range 3 East USM, Uintah County, Utah, and authorizing wells on each such drilling unit so established to achieve an approximate equivalent 20-acre well density.
  
4. [Docket No. 2017-027 Cause No. 139-150](#) – In the matter of the Request for Agency Action of NEWFIELD PRODUCTION COMPANY for an order establishing stand-up (vertical) 1280-acre (or substantial equivalent) drilling units for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch Formations within Township 4 South, Ranges 1 East and 1 through 3 West, USM, Duchesne and Uintah Counties, Utah.







