

# N.C. Oil and Gas Commission

## Minutes of the May 8, 2018 Quarterly Meeting<sup>1</sup>

The Quarterly Meeting of the Oil and Gas Commission took place on May 8, 2018 in the Archdale Building, Ground Floor Hearing Room at 512 N. Salisbury Street in Raleigh. A quorum of the Commission being present, Commission Chairman James K. Womack, Jr. gavelled-in the meeting at 1:00 PM. Chairman Womack informed the Commission that he was revising the meeting agenda by adding two items – the Pledge of Allegiance and a Moment of Silence. Following those two items, the Chairman reminded the members of their duty to avoid conflicts of interest and of the ethics requirements.

The Commission roll was then called: Present -- Stanford Baird, James Womack, Michael Stone, Victor Gaglio, and John Lucey; Absent – Robert “Chris” Reinhardt and Rhonda Jones.

The Commission next considered the minutes from its March 14, 2018 meeting. A motion was offered and seconded to approve the minutes, which passed unanimously.

The next item of business was a discussion of the Oil and Gas Petition process and correspondences purportedly seeking the preemption of certain local ordinances. There was an extended conversation between the Commission Chairman and Commission Counsel regarding the correspondence, as well as the petition process. Commission Counsel discussed the Chairman’s role in determining the completeness of a petition, and the requirements related to a hearing on complete petitions. He also discussed the statutory requirements related to the scheduling of a hearing on petitions that have been deemed complete. Commission Counsel also discussed the Commission’s authority related to the preemption of local ordinances and the statutorily required findings that must be made in order for the Commission to preempt a local ordinance. It was noted that the correspondence sent to the Commission prior to its first meeting did not comply with the Commission’s rules for submitting a petition and that no applications for drilling units or other drilling permits had been received by the Department. Chairman Womack discussed preliminarily identifying dates on which hearings could be scheduled in the event a petition was submitted and deemed complete. Commissioners Stone and Baird contributed to the discussion and other commissioners agreed that scheduling a hearing on the purported petitions submitted prior to the Commission’s first meeting would be difficult given the requirements for scheduling a hearing and given that the process of establishing a drilling unit has not even started anywhere in the State.

The Chairman then moved to Item 7 -- a proposed briefing schedule for the Commission on ethics, oil and gas research results from the N.C. Geological Survey, the current Oil and Gas Statutes and the current Oil and Gas Rules. The Chairman said there would be time allotted in future meetings to address those issues.

The Chairman then moved to Item 8 on the agenda, the scheduling of future meetings. The Chairman requested that potential future meeting dates be identified and prospectively calendared in the event a meeting was needed. The dates identified by the Chairman and members of the Commission included: July 10<sup>th</sup>, August 7<sup>th</sup>, September 13<sup>th</sup>, October 16<sup>th</sup>, November 8<sup>th</sup>, and December 4<sup>th</sup>. These dates would be checked for availability and shared back with the Chairman. The Chairman noted that, in the event that any of the prospectively calendared meetings were not needed, he would cancel the meeting. <sup>2</sup>

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<sup>1</sup> These minutes remain in draft form until approved by the Commission.

<sup>2</sup>While July 10<sup>th</sup>, 2018 was identified as a potential meeting date, the Commission did not meet on that date.

Chairman Womack then moved to Item 5 on the agenda, draft Operating Procedures for the Commission. He asked for input from commissioners and asked that the Commission vote to approve a consensus revised Oil and Gas Commission Operating Procedures. Suggested comments and revisions were to be sent to the Commission Staff Director.

Chairman Womack then asked that a PowerPoint presentation on the former Mining and Energy Commission be shown. In that presentation, he outlined the series of legislative initiatives which resulted in the creation of the Mining and Energy Commission and later the Oil and Gas Commission. He finished by showing a list of MEC accomplishments, and he commented on how the MEC addressed (1) pooling, assignment of drilling units, and permitting; (2) well & drilling site standards; and (3) water withdrawal, wastewater management, and water supply testing. He also talked briefly on the oil and gas resource and how additional data collection may be needed prior to drilling.

Chairman Womack then recognized Dr. Taylor to discuss issues related to per diem, travel and budget matters. Interim DELMR Director Toby Vinson was also recognized to address the uncertainty of a budget for the Commission.

Commissioner Lucey left the meeting at 2:31 PM, but the Commission retained a quorum.

The Commission then moved to the public comment portion of the meeting.

#### Public Comments:

Thirteen people signed the attendance sheet. Two indicated they wished to address the Commission.

Therese Vick – Spoke about the Landman Registry. She reported that landmen associated with the Atlantic Coast Pipeline and other pipeline under construction on North Carolina did not register with the North Carolina's Landman Registry, even though these landmen were negotiating right-of-way access for an oil or gas pipeline. She strongly felt they should have been required to register.

Brooks Rainey Pearson – She asked that the petition letters submitted to Commissioner Womack be made public as they are public records and that any responses also be released as they would also be public records.

#### Commissioner Comments:

Stanford Baird – He appreciated Chairman Womack's agenda and input from the Commission Counsel.

Victor Gaglio – He looks forward to learning about the Commission's rules.

James Womack – He spoke that the petition process was not simple and he looks forward to feedback from stakeholders on the best management practices in oil and gas development.

Meeting adjourned at 2:42 PM