

N.C. Oil and Gas Commission

Minutes of the Tuesday, 7 February 2023 Meeting*

The meeting of the Oil and Gas Commission took place at 1:00 P.M. on 7 February 2023 at the Ground Floor Training Room of the Green Square Bldg. at 217 W. Jones St. in Raleigh, hosted by the North Carolina Department of Environmental Quality (DEQ). Attendance of the meeting was also available via WebEx videoconferencing service.

00:00:08 – **Chair James C. Lister** opened the meeting with a moment of silence and led the Pledge of Allegiance.

00:01:01 – Chair Lister read the Ethics Reminder from the Elections and Ethics Enforcement Act, then asked the members to identify any conflicts of interest. No conflicts were identified.

00:01:48 – Chair Lister conducted a roll-call attendance. In attendance: **Commissioner Rebecca Wyhof Salmon** (remote), **Commissioner Stanford D. Baird** (remote), **Commissioner Dr. William Vizuete** (remote), Chair Lister (in-person), **Vice-Chair John Lucey** (remote), **Commissioner J. Cody Edwards** (in-person), **Commissioner Karen A. Howard** (remote), and **Commissioner John Droz, Jr.** (remote). Eight members of the Commission were present, and a quorum was declared.

00:03:20 – Chair Lister asked if there were any additions or revisions to the meeting agenda. Chair Lister added three additional discussion items: (1) the statement of economic interest, (2) the Commissioners' terms, and (3) State owned land mineral interest.

00:04:30 – Chair Lister's opening remarks addressed the welcoming of Commissioner Edwards to the Commission (acknowledging Commissioner Edwards' swearing-in procedure prior to the meeting). Commissioner Edwards introduced himself as coming from a public health background, working at Randolph Health (Randolph County) through the company StayWell. Commissioner Edwards stated that he handles the hospital's marketing.

00:05:28 – Chair Lister asked for a motion to approve the minutes from the November 2022 meeting. Commissioner Droz made a motion to approve the minutes, seconded by Vice-Chair Lucey. The minutes were approved by the Commission with a unanimous voice vote.

00:06:44 – Chair Lister moved the discussion to Committee and other status reports. Chair Lister reminded the Commission of its duties to maintain a standing Committee for Civil Penalty Remissions, as well as a standing Rules Committee. Chair Lister stated that the Oil and Gas Commission's Standard Operating Procedures (SOP) requires the Chair of the Commission to appoint members to these Committees within 30 calendar days following the first meeting of the calendar year. Chair Lister appointed Commissioners Baird, Droz, and Howard to the Civil Penalty Remissions Committee. Chair Lister appointed Commissioners Salmon, Lucey, and Vizuete to the Rules Committee. Chair Lister stated that the Committees should choose Chairs of the Committees and reminded the Commissioners that a committee meeting could be called whenever there are issues that need to be addressed. **DOJ Assistant Attorney General, Sarah Zambon** reminded the Commission that if there is something in the rules that refers to a specific document that has a url link or refers to a guidance document then it needs to be able to be accessed by the public.

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00:11:20 – Chair Lister moved the discussion to a slide presentation regarding the work still in progress of the previous iteration of the Rules Review Committee. **State Geologist and Geological Survey Section Chief, Dr. Kenneth B. Taylor, PG**, offered some background pertaining to how the rules were originally adopted during the work of the previous Mining and Energy Commission. Dr. Taylor explained that when the rules were finished, the intent was to have an additional vote on the rules. That meeting never happened, so the General Assembly approved the rules as they were. Vice-Chair Lucey asked for DEQ staff to update the Rules Review Committee regarding what the Committee needs to address regarding url issues in the rules when they can.

00:18:22 – Chair Lister moved the discussion to Commissioner Vizquete’s planning of an air quality baseline study. Commissioner Vizquete explained that the scope of work (SOW) is still being developed at the School of Public Health, UNC-Chapel Hill. Commissioner Vizquete stated that the next step is finding funding for the project. Commissioner Vizquete informed that he has not been able to reach the contact he had been given for the DEQ regarding funding. **DEQ Assistant General Counsel, Alyssa Wright** explained that the contact, Joy Hicks, is no longer with the department. The new contact is DEQ Legislative Director, Shrikar Nunna, Counselor Wright reported.

00:24:16 – Chair Lister moved the discussion to the strikethroughs that are found on the digital copy of the Session Law 2011-276 found on the DEQ website for public access. Chair Lister wanted to know if there is a “clean” version of the copy. Counselor Zambon explained that sometimes the session law is the most precise item to link to because many times the session law can update several sections within a chapter, or it can update several different chapters. In an instance where the session law links to several different chapters, it’s more efficient to link to the session law because that will include all the different links, Counselor Zambon further explained.

00:28:50 – Chair Lister moved the discussion to the first of the three additional items of discussion added at the beginning of the meeting. Chair Lister reminded the Commission that the Statement of Economic Interest should be completed by 15 April.

00:29:45 - Chair Lister asked where each of the Commissioner’s stand in their respective service term. Commissioner Baird explained that his service commitment expiration has long passed and has not been informed of a replacement. Commissioner Salmon offered that her service commitment expiration was 31 December 2022 but said that she understands from communication with the governor’s office that the governor plans to reappoint her. Commissioner Howard explained that no action has been taken by the General Assembly since her nomination by the governor. Commissioner Howard further explained that she has yet to be sworn-in to the Commission. Counselor Zambon explained that, under statute, each member of the Commission has a different seat appointed by different members of state government (five members are appointed by the Governor, two by the Senate President, and two by the Speaker of the House), and that the approval process is different depending on which member of government nominated the individual.

00:40:58 – Chair Lister moved the discussion to the issue of state-owned lands mineral interests. Chair Lister asked Dr. Taylor if the state of North Carolina conducts state lease sales. Dr. Taylor said that he would have to check with DEQ attorneys to see if there are state owned lands in the Triassic basin that potentially could be available for oil or gas lease. Chair Lister asked what the net revenue interest would be for the state to retain in such a sale. Again, Dr. Taylor said that he would check with department attorneys.

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00:48:12 – Chair Lister moved the discussion to the informational items. **Geological Survey Senior Geologist, Jim Chapman, PG** offered that there had been no new oil or gas inquiries to the DEQ since the last Commission meeting. Although, there have been two additional landmen added to the Landman Registry since the last meeting, Mr. Chapman explained.

00:48:50 – Chair Lister asked Dr. Taylor about scheduling well testing for the two capped wells. Dr. Taylor said that he would like to schedule the well testing for the month of May and said that the Commissioners would be welcome to come witness the testing of the wells, Butler #3 and Simpson #1. Counselor Zambon reminded the Commission that if a quorum of the Commission visits the wells, then that becomes a public meeting and will have to be announced; the public would be allowed to visit as well.

00:54:55 – Chair Lister opened the discussion for public comments.

Public Comments:

00:55:10 – Sharon Garbutt (Chatham County, in-person) – Said that it was unclear who created the strikethroughs in the session law that was discussed earlier in the meeting.

00:56:32 – Chair Lister opened the meeting for Commissioners’ concluding remarks.

Commissioners’ Concluding Remarks:

00:56:40 – Commissioner Droz said that he never received a final iteration of the Commission’s Annual Report to the General Assembly. Dr. Taylor said that the document can be found on the Reports to the General Assembly and said that the link to that page would be sent to all the Commissioners.

01:00:28 – Chair Lister reminded the Commission that the next Commission meeting is Tuesday, 2 May 2023 at 1:00 p.m.

01:02:01 – Chair Lister adjourned the meeting.

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