**N.C. Oil and Gas Commission**

**Minutes of the Tuesday, 10 November 2020 Meeting\***

The meeting of the Oil and Gas Commission took place at 10:00 A.M. on 10 November 2020 via Webex tele-conference, hosted by the North Carolina Department of Environmental Quality (DEQ).

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

00:01:00 – Lister read the Ethics Reminder, then asked for concerns for conflicts of interest. No concerns were voiced.

00:03:00 – Lister took attendance of Commissioners. In attendance: **Commissioner Rebecca W. Salmon**, **Commissioner Stanford Baird**, **Commissioner John Droz**, **Commissioner Dr. Jim Zhang**, **Vice-Chairman James K. Womack**, and Chairman James C. Lister. A quorum was declared.

00:06:00 – The approval of minutes from the 11 August 2020 meeting minutes were discussed by the Commission. **DEQ Senior Policy Advisor Jennifer Mundt** administered a roll-call of the Commissioners for the virtual venue. All Commissioners present unanimously voted to approve the 11 August 2020 meeting minutes.

00:07:00 – Commission discussed the proposed new Commission members. Commission Counsel stated that nominations stay in place until the General Assembly takes action. Mundt stated that the General Assembly will not convene again until January 2021 and the discussion topics at that time will likely be COVID-19 related and that new Commission members for Commissions will likely be a low priority. A summation of the current Commissioners term status was given.

00:19:00 – The discussion was moved to potential air/water testing in Lee County area. After a baseline is established for air quality, further testing after gas production begins will be related back to the baseline.

00:29:00 – Womack and **State Geologist Dr. Kenneth B. Taylor** discuss the formal rule-making process regarding changes to rules.

00:33:00 – Droz made a suggestion that all requests for drilling units – including those that do not meet minimum eligibility – should be reported to the Commission. Womack concurred. Lister, citing 15A 05H .0703 and .1202, read the rule stating that a drilling unit application be submitted to the Oil and Gas Commission. Further, Lister stated his opinion that the drilling unit applications should be reviewed by both the Commission and the North Carolina Geological Survey (NCGS) concurrently. Salmon and Zhang concurred with Lister. There was further discussion of the “work flow” for submitting a drilling unit application and the contact information for said submissions.

00:41:00 – Lister made mention of a document he submitted to the Oil and Gas Commission on 3 June 2019, where three areas of improvement under the oil and gas rules were highlighted: (1) typographical rules, (2) clarification of wording and meaning, and (3) additional topics. Drilling unit applications and reviews were one of the additional topics he said he highlighted. Lister stated that his opinion is that a list of mineral owners is not well defined enough to achieve the information needed for the Commission to make application decisions. Lister stated that the Commission needs to know mineral depth and stratigraphic horizons, in addition to mineral owners, in order to make drilling unit decisions because it is important to know if the extraction company has control over the mineral interests. Additionally, after reading #7 on the list of required drilling unit submission documents, Lister stated that standard convention in other states define the need for drilling unit application documents to be prepared by licensed engineers or geologists, however North Carolina’s rules do not specify licensing credentials for the reviewer. Lister would like to change the wording to reflect an update for the documents reviewer.

01:03:00 – Lister moved the discussion to a review of the well number standard. Taylor gave a presentation of the Professional Petroleum Data Management (PPDM) Association’s US Well Number Standard which replaced the American Petroleum Institute (API) numbering system, in effect since 2010. Lister stated that some of the forms and rules might need to change to reflect the industry numbering standard. Mundt stated that she would make the arrangement for the rule change needed to be an action item for the February 2021 Commission meeting.

01:15:00 – Lister moved the discussion to the last informational item: review of last meeting’s drilling unit naming guidelines. Womack gave a review of what was discussed during the August 2020 meeting stating, generally, that the name needs to reflect geographic location in some way. Womack further highlighted the complications created from odd-shaped drilling unit polygons regarding naming conventions. Lister suggested that this issue might be looked at in a sub-committee format.

01:26:00 – Lister moved the discussion to the announcements section. Lister reminded other Commissioners that they, as a Commission, are mandated to submit an annual review of the Commission activity. Lister stated that he will start a draft of the report that will be circulated to the other Commission members before the February 2021 Commission meeting. Lister read out a list of proposed Commission dates for 2021 for the Commission members to make note of: 9 February, 11 May, 10 August, and 9 November (all Tuesdays).

01:29:00 – Lister moved the discussion to public comments.

**Public Comments:**

01:30:00 – Brooks Pearson (Southern Environmental Law Center) commented that she was pleased that the agenda included a discussion of the proposed new Commissioners.

**Commissioners Comments:**

– No comments were given.

01:32:00 – Lister declares the meeting adjourned.