

N.C. Oil and Gas Commission

Minutes of the Tuesday, 8 February 2022 Meeting*

The meeting of the Oil and Gas Commission took place at 10:00 A.M. on 8 February 2022 via WebEx tele-conference, hosted by the North Carolina Department of Environmental Quality (DEQ).

00:00:02 – **Chairman James K. Womack, Jr.** opened the meeting with a moment of silence and led the Pledge of Allegiance.

00:01:25 – Chairman Womack 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.

00:01:56 – Chairman Womack conducted a roll-call attendance of commissioners. In attendance: **Commissioner Rebecca Wyhof Salmon, Commissioner Stanford Baird, Commissioner John Lucey, Commissioner John Droz, Jr., Vice-Chairman James C. Lister,** and Chairman Womack. A quorum was declared.

00:02:35 – Chairman Womack asked if there were any additions or revisions to the meeting agenda. No edits or additions were given. Chairman Womack opened the floor for a motion to approve the agenda. Commissioner Baird made a motion to approve the agenda, seconded by Commissioner Droz. Chairman Womack conducted a roll-call vote. All Commissioners in attendance voted to approve the agenda.

00:03:20 – Chairman Womack turned over all subsequent meeting roll-call voting management to **State Geologist and Geological Survey Section Chief Dr. Kenneth B. Taylor.**

00:03:44 – Chairman Womack moved the meeting to the approval of the minutes of the previous commission meeting of 9 November 2021. No adjustments nor addendum were offered or suggested. Commissioner Lucey made a motion to approve the 9 November 2022 meeting minutes, seconded by Commissioner Baird. Dr. Taylor conducted a roll-call vote. All commissioners in attendance voted to approve the minutes.

00:05:12 – Chairman Womack moved the discussion to inquiries made to the Geological Survey concerning oil or gas permitting since the November 2021 meeting. **State Geologist and Geological Survey Section Chief Dr. Kenneth B. Taylor** offered that there were two inquires to the North Carolina Geological Survey since the previous meeting: (1) Bill Simons, Intrepid Drilling (intrepiddrilling.com) on 16 December 2021; and (2) Robert Morse, Chief Geologist, Suncor Energy - Calgary, Canada (based in Portland, Oregon) on 07 January 2022. Both inquirers were supplied documents and other information pertaining to the oil and gas potential of North Carolina's Triassic Basins.

00:06:38 – Chairman Womack moved the discussion to the proposed standard operating procedures for approval action item. Chairman Womack reminded the commission that the documents were circulated prior to the meeting and that a vote was required before the commission could begin operating under the rules. Commissioner Baird requested that the term "Chairman" in the operating procedure be changed to "Chair". No objections to the change were offered. Chairman Womack declared the change

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as an amendment to the motion to approve the proposed standard operating procedures. Commissioner Droz made a motion to approve the proposed standard operating procedures, seconded by Commissioner Baird. Dr. Taylor conducted a roll-call vote to approve the proposed standard operating procedures. All commissioners in attendance voted to approve the standard operating procedures. Commissioner Droz asked for clarification on the term “closed meetings” in the standard operating procedures document; if it is declaring that the commission must attend meetings in-person when the meeting is in-person. Chair Womack deferred to **North Carolina DOJ Assistant Attorney General Shawn Maier** for a response. Counselor Maier responded that the previous standard operating procedures did not allow members attending remotely to participate in a closed session for issues such as consulting with counsel regarding litigation; however, the new standard operating procedures provide an option to suspend that provision and allow commissioners to participate in a closed session via remote communications. Counselor Maier further clarified that with the new standard operating procedures, the commission could vote to suspend the in-person requirement for closed-session meetings with a two-thirds majority. After a clarification request from Commissioner Droz, Chair Womack stated that the date of this commission meeting would appear on the document with his signature so therefore the document would be in effect as of this day’s date.

00:13:38 – Chair Womack moved the discussion to the establishment of a stakeholder group and deferred to Dr. Taylor and Counselor Maier to advance the discussion. Dr. Taylor offered that the stakeholder list that was used from the previous Mining and Energy Commission (MEC) is still being culled and that the results would be supplied to the commission within the following three weeks. Dr. Taylor reminded the commission that the stakeholders will want to know what will be asked of them. Chair Womack offered that the charge of the stakeholder group is neither to promote or oppose oil and gas development in the state, but to provide additional guidance for the commission. Chair Womack further clarified that the role of the stakeholder group would help spot gaps in the commission’s considerations.

00:19:14 – Chair Womack advanced the discussion to the rules review committee establishment and that his intent for the committee is that a comprehensive review of the standing rules is in order to identify gaps and updates. Chair Womack put forth Vice-Chair Lister to lead the committee. Further, Chair Womack put forth Commissioner Droz, Commissioner Baird, and Commissioner Wyhof Salmon to serve on the committee. Commissioner Wyhof Salmon expressed time commitment concerns. With respect to Commissioner Wyhof Salmon’s concerns, Chair Womack stated that the committee should function properly with just the three other commissioners. In the event that a commissioner on the committee should step off of the commission, Commissioner Wyhof Salmon could be asked to fill that role on the committee. No objections to the three appointments we offered.

00:26:33 – Chair Womack moved the discussion to unfinished MEC business. Nine total items were mentioned to be on the list, all of which would need to be eventually discussed in detail in future Commission meetings. Chair Womack began with the pit and tank standards. Chair Womack iterated that at the time that the MEC was discussing the issue informational data for composite materials was sparse but at the time metal tanks were the industry standard. Chair Womack mentioned that industry advancements regarding pits might also warrant further commission research. Chair Womack also offered that set-back distances appeared to be arbitrary and capricious. Chair Womack suggested that there is still some uncertainty regarding how to apply or request a drilling unit, especially with the public. Chair Womack recalled that there was significant contention among the public concerning pooling that was never resolved by the MEC. Chair Womack stated that he was not as concerned with

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seismic monitoring coincident with drilling operations like he was during the MEC time period because baseline analysis had been conducted. Chair Womack said that a public health baseline was the one baseline that was not conducted by the MEC but he believes that it should be discussed further going forward. Chair Womack put forward air quality monitoring at the time of drilling operations as an additional topic that needs further discussion. Lastly, Chair Womack offered that emergency services requirements for state and local agencies is of serious concern – the MEC did not address the issue. Chair Womack asked Dr. Taylor to speak to the subject of emergency response. Dr. Taylor offered that Department of Public Safety, where Emergency Management is housed within state government, has several Regional Response Teams (RRT) ready to respond and that he would communicate with that office to measure their response readiness in the respective regions of interest. Commissioner Wyhof Salmon expressed caution that the commission not create an unnecessary financial burden for local governments. Commissioner Droz suggested that the commission consider the impact from wind turbines, citing Pasquotank and Perquimans counties as cases to look to. Commissioner Lucey offered that the Commission would do well to learn from what other producing states have learned.

00:49:41 – Chair Womack moved the discussion to the schedule for the commission and committees. Chair Womack reminded the commission that meetings –including committee meetings- need to be posted sufficiently for the public. Chair Womack expressed a personal conflict with the 8 November 2022 meeting date on this year’s commission meeting schedule and suggested that the meeting date be moved back to a week later. Chair Womack inquired to DEQ staff if there is a physical location for future 2022 meeting dates in the event that meeting in-person should come to be. Dr. Taylor indicated that there is a space set aside for such possibilities for all the scheduled meeting dates in 2022. Chair Womack inquired if it was possible to move future meeting times to 1:00 p.m. (ET), citing driving times to Raleigh for commissioners. Dr. Taylor stated that changing the future commission meeting times only requires a commission vote. Dr. Taylor reminded Chair Womack that the November 2022 date had not yet been settled. Dr. Taylor agreed to check the availability of the Ground Floor Hearing Room in the Archdale Building for a date at least a week beyond 8 November. Commissioner Droz expressed concern that driving to Raleigh for him would not be possible should meeting in-person be required of the commissioners. Chair Womack said that meeting virtually will be accommodated for commissioners that cannot make the travel. Vice-Chair Lister made a motion to begin future 2022 commission meetings to 1:00 p.m. (ET), and commissioner Lucey seconded the motion. Dr. Taylor conducted a roll-call vote. Commissioner Droz voted “no”, all other commissioners present voted “yes”. The motion passed 5:1.

01:00:15 – Chair Womack opened the meeting for public comments.

Public Comments:

There were no public comments.

01:02:35 – Chair Womack opened the meeting for Commissioners’ concluding remarks.

Commissioners’ Concluding Remarks:

Vice-Chair Lister expressed being in favor of meeting in-person when possible.

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Commissioner Droz commented that 1:00 p.m. is lunch time and therefore moving the meeting times to begin at 1:00 is not a good idea.

01:05: 10 – Chair Womack adjourned the meeting.

DRAFT