



Missouri  
Department of  
Natural Resources

**STATE OIL AND GAS COUNCIL  
AUGUST 24, 2010  
NEVADA COMMUNITY CENTER  
200 N. ASH  
NEVADA, MO**

**OPEN SESSION**

MEMBERS PRESENT: Mr. William Luebbert-Public Member; Mr. Scott Totten-Clean Water Commission; Mr. Joe Gillman-Director and State Geologist, Division of Geology and Land Survey; Dr. Shari Dunn-Norman-Missouri University of Science & Technology

MEMBERS ABSENT: Mr. Donald Ransom-Missouri Department of Economic Development; Mr. Robert Clayton-Missouri Public Service Commission

LEGAL COUNSEL: Mr. Don Willoh-Assistant Attorney General

STAFF PRESENT: Mr. Jerry Prewett-Geological Survey Program Director; Mr. Scott Kaden-Geologic Resources Section Geologist; Ms. Jane Williams-Geological Survey Program Executive and State Oil and Gas Council Secretary

GUESTS PRESENT: David Bleakley-Colt Energy, Inc.; Phil Frick-D.E. Exploration, Inc.; Lester Town-Town Oil Co.; Percy Glynn-Colt Energy, Inc.; Jim Long-MegaWest Missouri Energy; Ginsherri Freeze-Colt Energy, Inc.; Joe Taglieri-Running Foxes Petroleum; Barth Hinkle; Catherine Hinkle; Greg Houston; Dirk Scotten; Jeff Steinke-Metro Energy

With a quorum being present, the open session was brought to order by Mr. Totten at 1:50 p.m. Mr. Totten asked the council members to introduce themselves followed by the staff and guests.

**MINUTES OF THE FEBRUARY 18, 2010 MEETING**

Mr. Gillman made a motion to accept the minutes of the meeting held on February 18, 2010 as circulated. Dr. Dunn-Norman seconded the motion. Motion carried.

**ELECTION OF COUNCIL CHAIR AND VICE-CHAIR**

Mr. Gillman made a motion to elect Scott Totten as chairman of the council and Dr. Shari Dunn-Norman as vice-chair of the council. Mr. Luebbert seconded the motion. Motion carried.

**BI-ANNUAL REPORT ON OIL/GAS ACTIVITIES FOR 2010**

Mr. Kaden gave a presentation on 2010 Oil and Gas activities in Missouri. See attached copy of presentation. A question was asked if this presentation will be posted on the Internet site. Mr. Kaden explained it was not, but staff would check into the possibility of doing so.

## **RULEMAKING STATUS**

Mr. Kaden gave a status update on our process to begin rulemaking. He explained that these changes included updating the bonding structure; establishing a mechanical integrity testing rule for injections wells; addition of late fee assessment; and the clarification of definitions, state geologist duties, and permitting procedures. He explained that he met with a summer intern who is interested in the area of oil and gas law. This intern reviewed the rules and made comments and suggestions on the above areas and other areas we may want to pursue in our rulemaking. We have proceeded with getting permission from the department to begin rulemaking. Following the approval, staff will begin the process of formulating a proposed rule change. Mr. Gillman provided a brief explanation of the process of rulemaking within the department and government in general. He clarified that rulemaking generally takes 12 to 18 months from start of process to end of process.

## **KENNEDY LEASE UPDATE**

Mr. Kaden explained DGLS staff have received over 100 plugging records for the Kennedy Lease from the former lease owner, Carmel Energy. However, the plugging of these wells has not been verified nor the casing cut off below ground surface. On July 23, 2010 we received word that Colt Energy finalized a lease agreement for the Kennedy property. As part of this three year lease, Colt Energy has agreed to remediate the site of all tanks and pipes as well as remove the casing from the abandoned wells. Mr. Totten thanked Colt Energy for taking this endeavor on and hopes that it will be beneficial to them.

## **PROPOSED FOREST CITY BASIN GRANT**

Mr. Prewett gave a brief explanation about carbon sequestration in the state of Missouri and the Forest City Basin area pilot project. He also updated the Council on the Springfield City Utilities Project. Mr. Gillman believes that in the future this Council might become more involved in the carbon sequestration issue.

## **PROPOSED EPA FRAC REGULATIONS**

Mr. Kaden gave a presentation on Hydraulic Fracturing of Oil and Gas Wells and Proposed EPA Rulemaking. See attached presentation.

## **FIELD TRIP BRIEFING**

Mr. Kaden gave a brief explanation about the field trip to the MegaWest operation and thanked Mr. Long for hosting our field trip at the MegaWest Grassy Creek operation.

## **OTHER BUSINESS**

Mr. Totten asked if anybody had anything they would like to bring before the Council. The Council suggested our next meeting be on February 23, 2011, tentatively. Mr. Gillman suggested meeting in Jefferson City, as the Council had previously discussed.

Mr. Gillman made a motion that the Oil and Gas Council meet in closed session at the next regular Council meeting for the purpose of discussing matters protected from disclosure by law as provided for in Section 610.021, RSMo., including but not limited to: legal actions, pending litigation, and attorney-client privileged matters with the Council attorney. Dr. Dunn-Norman seconded the motion. Roll call vote: Mr. Luebbert, yes; Mr. Gillman, yes; Dr. Dunn-Norman, yes; Mr. Totten, yes. Motion carried.

As no other business was brought before the Council, Mr. Gillman made a motion to adjourn the meeting. Dr. Dunn-Norman seconded the motion. Motion carried. Open session was adjourned at 3 p.m.