



**STATE OIL AND GAS COUNCIL
OCTOBER 18, 2010
MISSOURI DEPARTMENT OF NATURAL RESOURCES
LEWIS AND CLARK STATE OFFICE BUILDING
GASCONADE CAMP CONFERENCE ROOM
1101 RIVERSIDE DRIVE
JEFFERSON CITY, MO**

OPEN SESSION

MEMBERS PRESENT: Mr. William Luebbert, Public Member; Mr. John Madras, Clean Water Commission; Mr. Joe Gillman, Division of Geology and Land Survey; Mr. Donald Ransom, Missouri Department of Economic Development; Dr. Shari Dunn-Norman, Missouri University of Science and Technology (by teleconference); Mr. Robert Clayton, Missouri Public Service Commission

MEMBERS ABSENT: None

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 Blakley, Colt Energy; Bethany Wilson, Colt Energy

With a quorum being present, the open session was brought to order by Mr. Gillman at 10:08 a.m. Mr. Gillman asked for introductions of council members, staff, and guests.

MINUTES OF THE AUGUST 24, 2010 MEETING

Mr. Ransom made a motion to accept the minutes of the meeting held on August 24, 2010 as circulated. Mr. Luebbert seconded the motion. Motion carried.

ELECTION OF COUNCIL CHAIR AND VICE-CHAIR

Mr. Ransom made a motion to elect Mr. Madras as chairman of the council. Mr. Clayton seconded the motion. Motion carried. Dr. Dunn-Norman will remain as vice-chair of the council.

COLT ENERGY UNITIZATION OF ASHTON, LEIST, PARROTTE, CLAY, AND CLAYPOOL LEASES

Mr. Kaden addressed the Council with Colt Energy's request for unitization of several leases and gave a definition of unitization of leases. In this situation, the landowners have all agreed to the unitization. Mr. Kaden requested from Colt Energy an official request for the unitization.

COLT ENERGY SPACING EXEMPTION FOR KENNEDY LEASE

Mr. Kaden addressed the Council with Colt Energy's request for a spacing exemption for the Kennedy lease. Mr. Clayton requested staff send preliminary information and staff recommendations prior to the each meeting so Council could be more prepared to vote on these type issues. Mr. Clayton moved the Colt Energy request for a spacing exemption for the Kennedy lease be approved. Mr. Ransom seconded the motion. Roll Call Vote: Mr. Luebbert, yes; Mr. Gillman, yes; Mr. Ransom, yes; Dr. Dunn-Norman, yes; Mr. Clayton, yes; Mr. Madras, yes. Motion carried.

GEO-FORCE ENVIRONMENTAL SPACING EXEMPTION FOR DUSSELIER LEASE

Mr. Kaden addressed the Council with Geo-Force Environmental's request for a spacing exemption for the Dusselier lease. Mr. Ransom moved the Geo-Force Environmental request for a spacing exemption for the Dusselier lease by approved. Mr. Gillman seconded the motion. Rolla Call Vote: Mr. Luebbert, yes; Mr. Gillman, yes; Mr. Ransom, yes; Dr. Dunn-Norman, yes; Mr. Clayton, yes; Mr. Madras, yes. Motion carried.

BLANKET SPACING EXEMPTION FOR VERNON COUNTY OR DELEGATION OF AUTHORITY TO STATE GEOLOGIST

Mr. Kaden addressed the Council with a request from DGLS staff for a blanket spacing exemption for Vernon County or a delegation of authority to the State Geologist to approve these spacing exemption requests. Mr. Ransom asked Mr. Willoh for a memo on the legality of this request. Mr. Gillman requested staff provide technical analysis and recommendations for the Council's information. Mr. Ransom moved to table this item pending legal information. Mr. Clayton seconded the motion. Rolla Call Vote: Mr. Luebbert, yes; Mr. Gillman, yes; Mr. Ransom, yes; Dr. Dunn-Norman, yes; Mr. Clayton, yes; Mr. Madras, yes. Motion carried.

BONDING REQUIREMENTS FOR LACLEDE GAS PRE-LAW WELLS

Mr. Kaden addressed the Council with an explanation regarding the issue of bonding requirements for Laclede Gas pre-law wells. Mr. Willoh stated he believes the Council cannot request bonding for pre-law wells. Mr. Clayton suggested a memorandum of agreement with Laclede Gas.

CARMEL ENERGY'S IDA-FAUVERGUE LEASE WELL PLUGGING AND CLOSURE

Mr. Kaden addressed the Council with a report on Carmel Energy's Ida-Fauvergue lease well plugging and closure.

OTHER BUSINESS

Mr. Clayton moved to accept the minutes of the closed meeting held on August 24, 2010. Mr. Ransom seconded the motion. Roll Call Vote: Mr. Luebbert, yes; Mr. Gillman, yes; Mr. Ransom, yes; Dr. Dunn-Norman, yes; Mr. Clayton, yes; Mr. Madras, abstained as he was not present at that meeting. Motion carried.

As no other business was brought before the Council, Mr. Ransom moved to adjourn the meeting. Mr. Luebbert seconded the motion. Motion carried. Open meeting was adjourned at 11:30 a.m.