



Missouri
Department of
Natural Resources

**State Oil and Gas Council
Division of Geology and Land Survey
Annex Conference Room
111 Fairgrounds Road, Rolla, Mo.
January 23, 2013**

Open Session Minutes

MEMBERS PRESENT: Mr. John Madras, Clean Water Commission and Chairman; Dr. Shari Dunn-Norman, Missouri University of Science and Technology and Vice Chairwoman; Mr. David Bleakley, Missouri Independent Oil and Gas Association; Mr. Donald Ransom, Missouri Department of Economic Development

MEMBERS ABSENT: Mr. William Luebbert, Public Member; Mr. Joe Gillman, Division of Geology and Land Survey; Mr. Derick Miles, Missouri Public Service Commission

LEGAL COUNSEL: Mr. Don Willoh, Assistant Attorney General

STAFF PRESENT: Ms. Carey Bridges, Geological Survey Program Director; Mr. Larry Pierce, Geologic Resources Section Chief; Mr. Chris Vierrether, Economic Geology Unit Chief; Ms. Connie Edwards, Geological Survey Program Executive and State Oil and Gas Council Secretary; Mr. Kyle Rollins, Wellhead Protection Section Chief; Ms. Hylan Beydler, DGLS Information Officer; Mr. Steven Kratky, Missouri Department of Natural Resources' General Counsel

GUESTS PRESENT: Jim Long, Gravis/MegaWest; Jay Beringer; Chad Counts, Running Foxes; Joe Taglieri, Running Foxes; Joan Levick, Laclede Gas Company; John Amerman, Colt Energy; Jeff Steinke, Warrior Operating; John Leenerts, Warrior Operating; Lesa Jenkins, Missouri Public Service Commission

With a quorum being present, the open session was brought to order by Mr. Madras at 10 a.m. Mr. Madras introduced State Oil and Gas Council members and asked for guest introductions.

MINUTES OF THE OCTOBER 16, 2012, MEETING

Mr. Ransom offered a motion to accept the minutes of the meeting held on October 16, 2012. Dr. Dunn-Norman seconded the motion. Motion carried.

WARRIOR OPERATING COMPANY INC. STATUS OF WELL SHUT-IN EXTENSION

Mr. Vierrether gave an overview on these shut-in wells and the current status of the issue. Mr. Steinke stated Warrior Operating Company will comply with requests made by staff. No action is needed at this time, for information purposes only.

KANSAS RESOURCE EXPLORATION AND DEVELOPMENT'S WALTON LEASE AND BENJAMIN LEASE SPACING

Mr. Vierrether gave a brief description of the issue pertaining to well spacing issues in Kansas Resource Exploration and Development's Walton and Benjamin Leases as well as redefining the existing oil pool/field boundaries. Staff are reviewing the statutes and rules related to densification of well spacing, which is necessary for enhanced oil recovery projects, and establishing the appropriate process for approving fluid injection projects. Mr. Madras stated the statute may allow the state geologist to make these determinations and issue an order. Mr. Willoh agreed to review this issue.

PROCESS FOR DETERMINING APPROPRIATE INJECTION PRESSURES

Mr. Vierrether updated the council on the current status of this issue. Dr. Dunn-Norman requested staff give a presentation on the injection pressure dynamics to give the council a better understanding of this process. After much discussion between council, staff and audience, Mr. Bleakley made a motion to activate the advisory board to address injection pressure issues. Dr. Dunn-Norman seconded the motion. Mr. Willoh commented on the current statute regarding establishing an advisory council. Motion carried. Mr. Madras asked anyone interested in joining the advisory council to provide their information to the department. Suggestions were made to post a public notice on the department's website and for Ms. Edwards to send a general invitation to contractors via email.

OTHER BUSINESS

Mr. Madras asked if anyone had anything they would like to bring before the council. Nothing was brought forth.

SCHEDULING AND LOCATION OF NEXT MEETING IN APRIL 2013

After discussion, the council suggested a tentative date of April 17, 2013, for the next meeting. The meeting location was not determined. Mr. Ransom requested Mr. Willoh offer support prior to the next meeting if unable to attend.

ROLL CALL VOTE FOR NEXT CLOSED SESSION AND ADJOURNMENT OF MEETING

Dr. Dunn-Norman moved the State Oil and Gas Council meet in closed session before 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. Mr. Ransom seconded the motion. Motion carried. Mr. Ransom made a motion to adjourn. Dr. Dunn-Norman seconded the motion. Motion carried.

The meeting was adjourned at 11:03 a.m.