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

**Minutes of the Tuesday, 9 February 2021 Meeting\***

The meeting of the Oil and Gas Commission took place at 10:00 A.M. on 9 February 2021 via Webex tele-conference, hosted by the North Carolina Department of Environmental Quality (DEQ).

00:01:20 – **Commission Chairman James C. Lister** opened the meeting with a moment of silence and led the Pledge of Allegiance.

00:02:16 – Lister read the Ethics Enforcement Act, then asked for concerns for conflicts of interest. No concerns were voiced.

00:03:12 – **DEQ Senior Policy Advisor Jennifer Mundt** took roll-call 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.

00:04:14 – **Assistant Attorney General Shawn Maier (North Carolina Attorney General’s Office, Environmental Division)** was introduced to the Commission.

00:06:20 – Lister introduced discussion concerning the Action Items. The approval of minutes from the 10 November 2020 meeting were discussed by the Commission. Womack moved to approve the minutes and Droz made a second motion to approve. Mundt administered a roll-call vote from the Commissioners on the approval of the minutes. All Commissioners present unanimously voted to approve the 10 November 2020 meeting minutes.

00:08:00 – The Commission moved to approve the draft copy of the Oil and Gas Commission Annual Report to the Joint Legislative Commission on Energy Policy and the Environmental Review Commission. Womack moved to approve the Annual Report and Droz made a second motion. Mundt conducted a roll-call vote for the Commission to approve the Annual Report draft. All Commissioners present unanimously voted to approve the Annual Report.

00:10:55 – Lister introduced discussion concerning the Informational Items on the agenda. Mundt provided an update on the State Ethics Commission statements, citing that there are no conflicts from any Commission members with the exception of the possibility of a potential conflict that Commissioner Salmon made note of in her statement. Mundt explained that the Statements of Economic Interest (SEI) are due each year near the tax filing date deadline. **State Geologist and North Carolina Geological Survey Section Chief Dr. Kenneth B. Taylor** clarified that each Commissioner must submit their ethics statement by 15 April annually. Baird made the point that, in addition to the SEIs, each Commissioner must undergo an Ethic Training, which is under a biennial time-cycle. Lister clarified that the training cycle is independent for every Commissioner because it is tied to their Commission membership anniversary date.

00:16:45 – Mundt provided an update on the status of the individuals nominated (yet to be confirmed) to the Commission. The three members nominated by the Governor have still yet to be taken up by the Legislature for appointment consideration. Additionally, the seat reserved for an engineer with experience in the oil and gas exploration and development industry has subsequently become vacant. Mundt added that Commissioner Salmon’s seat (an elected official of a municipal government located in a region of North Carolina that has oil or gas potential) expired in December and is now, therefore, a hold-over seat due for re-nomination and re-appointment. Consequently, there are five Commission seats currently open for nomination and/or appointment. Mundt highlighted that in the Commission’s Annual Report that will soon be delivered to the Legislature there is an affirmative request that the Legislature take up this issue of appointing Commission seat nominations.

00:19:50 – **North Carolina Geological Survey Senior Geologist Jim Chapman** and Dr. Taylor report that there have been no oil or gas inquiries since the last Commission meeting. Taylor stated that there are currently 106 individuals listed on the Landman Registry. Lister invited the idea of further future discussion concerning potentially culling the Landman Registry within a defined period of time based on correspondence with the Registry members. Womack and Salmon expressed interest in discussing the subject further. Lister suggested making this topic an Action Item for the next Commission meeting. It was agreed among the Commissioners. Mundt suggested addressing each item individually.

00:30:25 – Lister introduced discussion concerning the API vs. US Well Number Standard. Lister explained the API format to the Commission. Lister suggested that there does not need to be a change to the API numbers when they occur in the Oil and Gas rules but that the Commission should address the new well number standard in the rules. One way, Lister suggested, to address the issue is to introduce a statement in the rules that references to the API number have been subsequently replaced by the US Well Number Standard. Womack suggested that the Commission should bring in the rules-making coordinator for consultation. Womack suggested introducing a rule for the drilling unit naming standard.

00:37:47 – Lister introduced discussion concerning the NAD83 (North American Datum, 1983) geodetic reference system. Taylor presented information about the new reference system being introduced in 2024 to replace NAD83 (rather than 2022 as previously projected).

00:45:30 – Lister introduced the drilling unit naming convention topic. Lister suggested a system based on the 1:24,000 topographic quadrangle maps which uses the coordinates of the southeast corner of the quadrangle map as a unique identifier. As a working model, the system would first reference the topographic quadrangle, followed by the drilling unit, followed by the US Well Number county number, followed by something chosen by the operator of the unit. Womack drew attention to potential digital searching/filtering issues but liked the system as a working model. Further, Womack suggested adding a character limit on the name. It was suggested that an IT naming convention expert could be invited to speak to the Commission at the next meeting.

00:56:55 – Lister reminded everyone that the next Commission meeting date is 11 May and ended the Informational section of the agenda.

**Public Comments:**

00:57:10 – Sharon Garbutt (Chatham County) expressed concern for the composition of the Oil and Gas Commission (specifically that there is not a full Commission membership seated).

No other public comments are offered.

**Commissioners Comments:**

01:04:00 - Womack and Lister offered that the best forum for expressing concerns about the make-up of the Commission is likely best served by contacting your Legislature representatives.

01:05:40 – Lister declares the meeting adjourned.