

**Meeting Minutes of the Local Government Regulation Study Group of the
North Carolina Mining and Energy Commission
April 26, 2013**

1. Preliminary Matters

Study Group Director, Mr. Charles Taylor called the meeting to order at 2:15 pm and welcomed all study group members and others attending. He read the ethics statement and asked Study Group members whether or not they had any conflicts of interest with respect to any action items on the agenda. No conflicts were noted.

The following personnel were in attendance for all or part of the meeting:

Study Group Members

Charles Taylor
Charles Holbrook
Becki Gray
Erin Wynia
Dr. Marva Price
Mack Paul
Ginger Warner
Richard Whisnant

DENR Staff Members

W.E. "Toby" Vinson
Walt Haven

Others in Attendance

Refer to the meeting sign in sheets attached to these minutes.

3. Legislative and Mining and Energy Commission (MEC) Updates

The Study Group noted the following:

- a. Senate Bill 76 was reported to have been amended to allow the State Geologist to remain as a MEC member. However, subsequent staff research has determined that this bill remains unchanged in the Commerce Committee since the last Study Group meeting;
- b. Senate Bill 10 was updated so that limits regarding the holding of public office and serving on the Commission were removed.

4. Approval of minutes from previous meeting

Mr. Holbrook moved to accept the minutes, while Ms. Gray seconded the motion. The minutes were approved by unanimous vote.

5. Discussion of previously identified issues

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Mr. Walt Haven provided the following presentations, which were discussed by the Study Group:

- Water sampling programs in North Carolina (see attached fact sheet “Water Sampling Comparisons”).
 - Local health department well and surface water sampling;
 - Sampling performed by the Water Resources Management program within the State Division of Water Resources;
 - Sampling reporting received by the Public Water Supply Section, within the State Division of Water Resources;
 - Sampling performed by public water systems;
 - Division of Water Quality (DWQ) sampling performed by the Groundwater Planning Unit, the Environmental Sciences Section, the Surface Water Planning Group, and by stream coalitions working with DWQ; and
 - Sampling performed by the State Division of Waste Management.

- Air quality monitoring (see attached fact sheet “Air Monitoring Comparisons”).
 - Criteria pollutants identified by the U.S. Environmental Protection Agency (EPA)
 - Ozone
 - Fine particles
 - Nitrogen dioxide
 - Sulfur dioxide
 - Planned air monitoring related to oil and gas operations by the N.C. Division of Air Quality;
 - Monitoring programs within the State of Colorado; and
 - EPA data gathering and oversight of nation-wide air monitoring networks.

6. Property Rights

The Study Group discussed mineral rights and the recording of severed estate information at the local Register of Deeds office and the Tax Assessors office. They also discussed the availability of this information and the potential for training needs within the offices maintaining respective property records. The Group also addressed special use or special value use permitting for properties, where owners do not choose to have mineral resources exploited. The Study Group did note that all oil and gas leases would have to be recorded in accordance with Session Law SL 2012-143, 113-423 (g).

Chairman Taylor asked DENR staff to request Mr. Don Kovasckitz, from Lee Co Strategic Services, to provide a presentation regarding split estates, during the next Study Group meeting. Additionally, DENR staff was also asked to e-mail Mr. Kovasckitz’s presentation to the Group participants. Director Taylor requested that a representative from a local Register of Deeds office attend the next meeting too.

7. Easements

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The Study Group discussed the routing of gas lines through right of ways and through private properties. Additionally, members noted that current, local jurisdictional regulations may already be in place to handle gas transport and gathering lines. However, the Study Group is still awaiting a legal opinion from the State Attorney's General office concerning the jurisdictional authority related to oil and gas lines.

8. Land Use Management

The Study Group discussed zoning authority currently being exercised by local governments. They acknowledged that under current statute, local jurisdictions would not be allowed to establish zoning requirements to prevent oil and gas operations from occurring. The Study Group also discussed rights of entry for state and local regulators and asked DENR staff to research state and local exercise of this authority.

9. Written Questions from the Audience

Members of the public provided the following inquiries and comments in written form, as underlined below:

The Study Group was asked if public hearings regarding air and water quality were going to be held, especially if local communities could not afford local monitoring. Chairman Taylor stated that this matter would be addressed in the final Study Group report.

What is the lifespan of tracers? The Study Group explained that tracer technology was still in the testing phase. Additionally, DNA tracer half-life, we have been told, is longer than a typical human life but that we do not yet know the lifespan of tracers as we have not been provided with any technical reports on tracer field use studies in oil and gas wells.

How do you find out what's going on and who's responsible? The question was raised by a property owner who relayed a story about the marking of utility lines and the difficulty she had when trying to obtain information. The Study Group explained that property owners should call "NC One Call" for information. However, they also agreed that having a better notification system in place to address oil and gas operations would be helpful.

A two-hour delay between a contaminant release and a response is too long. This question related to the (draft) chemical disclosure rule, which is being handled by the Rules Committee and the Environmental Standards Committee. The Study Group explained that emergency response data for chemicals is typically available through Material Safety Data Sheets.

What is being planned for baseline air testing? This matter is being handled by the Environmental Standards Committee.

How will gathering locations be labeled and how will they be constructed? The Administration of Oil and Gas Committee will be developing these standards.

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What is the allowable level of radioactive waste that can be put into an industrial landfill? The Study Group explained that the N.C. Division of Waste Management had authority over landfills. Additionally, the Group acknowledged that centralized landfills might serve as a proper disposal method for wastes.

During well construction, will DENR have enough staff on site for oversight? The Study Group stated that oversight standards would be developed by the MEC.

If a county has ordinances dealing with this industry, will those ordinances be grandfathered in, or will the county be required by meet the new rules? This question related to setbacks that are already established. The Study Group stated that the MEC would be developing setback recommendations.

10. Discussion

Director Taylor announced that the next Local Government Regulation Study Group meeting was scheduled for May 10, 2013 at the Emergency Operations Center in Sanford, N.C.

The Study Group adjourned 4:19 pm.

DEMLR staff contact for these minutes: William E. Vinson, Jr., Chief Engineer, Land Quality Section.