

**Meeting Minutes of the Rules Committee of the  
North Carolina Mining and Energy Commission  
October 24, 2013**

**I. Preliminary Matters**

**1. Call to Order and Notice of NCGS 138A-15**

Chairwoman Amy Pickle called the meeting of the Rules Committee to order at 2:53 pm in the Ground Floor Hearing Room, Archdale Building in Raleigh, NC. Chairwoman Pickle read the relevant excerpt of the State Government Ethics Act, and asked Commission Members to consider whether or not they had conflicts of interest with respect to any items on the agenda. No conflicts were reported.

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

**Committee Members**

Amy Pickle (Chairwoman)  
Charlotte Mitchell  
George Howard  
Charles Holbrook  
Jane Lewis-Raymond (via telephone)

**Attorney General's Office**

Jennie Hauser

**DENR Staff Member**

Layla Cummings, Department of Environment and Natural Resources (DENR) Secretary's Office  
Tracy Davis, Division of Energy, Mineral, and Land Resources (DEMLR) Division Director  
Toby Vinson, DEMLR  
Katherine Marciniak, DEMLR  
Ryan Channell, DEMLR  
Rosalind Harris, DEMLR  
Walt Haven, DEMLR

**Others in Attendance**

Refer to the attached meeting sign-in sheets.

**2. Review and approval of minutes from the September 26, 2013 meeting**

Mr. George Howard made a motion to approve the minutes and Mr. Charles Holbrook seconded. The motion passed.

**3. Preparation of Well Closure Rules for Transmittal to MEC**

Ms. Pickle led a review of the Chair's mark of the draft Well Closure Rules Requirements rule (attached to these minutes). The following matters were addressed by the Committee:

- a. Defining "lost hole" as a well which could not be drilled to the originally permitted total depth;
- b. Adding a definition for a "dry hole" as being a well which is incapable of producing oil or gas in commercial quantities;
- c. Referencing of specific rule paragraphs under 05H .XXX17(a);
- d. Adding American Petroleum Institute (API) Bulletin E3 as a guidance document reference into 05H .XXX17(a);

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- e. Eight hour notification regarding the abandonment of dry holes, versus 72 hours of notification for other wells;
- f. Notice of plugging and abandonment to surface owners;
- g. Cementing of intermediate well casing;
- h. Adding a definition of a “production tank”;
- i. Filling of “mouse holes” and “rat holes” with bentonite;
- j. Disconnection of wellheads from gathering lines;
- k. Documentation and diagrams related to cement plugging and well abandonment;
- l. Designation of a well to “shut in” status (05H .XXX18);
- m. Separating Rule 05H .XXX18 into two separate rules: “shutting in of wells” and “temporary abandonment of wells”;
- n. Renewal periods for designation as a “temporary shut in” well;
- o. Requiring the permittee to ensure closing of the master valve when performing well abandonment activities;
- p. Temporary well closure requirements; and
- q. Structure of applicant forms and coordination of form development through respective substantive committees.

The Rules Committee discussed variance authority and how this authority might be granted to the Department as delegated by rules. Additionally, members recognized that the Mining and Energy Commission had variance authority, as long as the granting of variances would not conflict with existing statutes.

Ms. Pickle asked that staff update the draft rule as amended by the Rules Committee. Staff noted that after rule updates were completed, that the text would be routed to Ms. Pickle for her approval and eventual promulgation to all other Committee members prior to November 21, 2013.

**4. Status of Research on Variance Authority**

Ms. Pickle explained that her research is continuing regarding variance authority related to Session Law 2012-143. She also stated that she has scheduled a meeting with the Office of Administrative Hearings to obtain additional legal opinions.

**5. Closing Remarks**

Ms. Pickle reviewed the need to denote statutory authority for rule sets as part of the rule writing process.

**6. Public Comment**

No one from the public indicated a desire to provide comment.

**8. Adjournment**

Chairwoman Pickle adjourned the meeting at 5:03 pm.

**DEMLR Staff contact for this Committee: Walt Haven, Energy Program Supervisor – NCDENR.**