Meeting Minutes of the Rules Committee of the North Carolina Mining and Energy Commission July 25, 2013 3:00 pm - 5:00 pm

1. Preliminary Matters

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

Chairwoman Pickle called the meeting of the Rules Committee to order at 3:23 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

Attorney General's Office

Jennie Wilhelm Hauser

DENR Staff Member

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

Others in Attendance

Refer to the attached meeting sign-in sheets.

b. Review and approval of minutes from the June 6, 2013 meeting

Ms. Charlotte Mitchell made a motion to approve the minutes and Mr. Charles Holbrook seconded. The motion passed.

c. Revisions or additions to Agenda

None

2. <u>Action Items: Preparation of Well Construction Rules for Transmittal to Full MEC (</u>see attached document)

The Committee reviewed the revisions made to the rule at the June 27th meeting of the Rules Committee. The following changes were incorporated into the rule text:

- Deletion of "Kelly" from definitions; on page 2, line 17 change "Kelly" to "drilling apparatus";
- Addition of "Drill Pipe" into definitions and flag drill pipe and drill string for consistency in subsequent rules;
- Identification of actor, "The permittee shall" in all paragraphs where no actor has been identified;

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- Reorganize section 5 (a) and (b) into section 8 (d)- Well Installation; revise (a) to "The
 permittee shall not use drilling fluids or drilling fluid additives that cause a violation of
 standards in 2L, which is incorporated by reference including subsequent amendments."
- In Section 7 (g) list out the "data collected" for the evaluation of the CBL;
- Reorganize Section 8(k)(6), lines 16-20, from "If cement" to end of paragraph into new (7); change "insufficient isolation" to "a failure to isolate" in line 17;
- Reorganize Section 8(I)(3), lines 8-12, from "If cement" to end of paragraph into new (4); change "insufficient isolation" to "a failure to isolate" in line 9;
- Reorganize section 8 (I) (5) into (I) and incorporate "Notwithstanding the foregoing, zone of production may be completed using a non-cemented production liner;" and
- The word choice changes of "string of casing" to "casing string."

After discussion of the rule set, Mr. Howard made a motion to send the Well Construction Rule "as is" to the MEC on July 26th for discussion; this motion was seconded by Mr. Holbrook.

- 3. Action Item: Preparation of Baseline and Subsequent Testing Rules for Transmittal to Full MEC

 The Rules Committee did not discuss this agenda item at the meeting. This item will be taken up at the next meeting of the Rules Committee.
- 4. Public Comment No public comments.
- 5. Concluding Remarks -

The Rules Committee has reserved time on August 9th, 2013 to meet to discuss the baseline rule, master set of definitions, and rule actors; the date and time will be confirmed at a later date. Chairwoman Pickle noted that due to the legislation passed she will most likely no longer be on the MEC and able to serve as Chair of the Rules Committee.

6. Adjournment

Chairwoman Pickle adjourned the meeting at 5:08 pm.

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