Michael E. Begley (16396) Utah Board of Oil, Gas & Mining 1594 West North Temple, #300 Salt Lake City, Utah 84116 (801) 538-7227 <u>mbegley@agutah.gov</u> Counsel for the Utah Board of Oil, Gas & Mining

BEFORE THE PUBLIC SERVICE COMMISION OF UTAH

IN THE MATTER OF PACIFIC ENERGY AND MINING COMPANY.

PETITION FOR LEAVE TO INTERVENE

Docket No. 18-2602-01

Pursuant to Utah Code Ann. § 63G-4-207 and Utah Admin. Code R746-1-108, the Utah Board of Oil, Gas & Mining ("BOGM") respectfully petitions the Public Service Commission ("Commission") for leave to intervene in this docket regarding the interstate pipeline at issue and the continued and/or planned operations related thereto. In support of this Petition, the BOGM states the following:

1. The BOGM is a (7) seven-member board comprised of appointments made by the Governor with the consent of the Senate. The BOGM is the policy making body for the Division of Oil, Gas and Mining.

2. The statutory mandate of the BOGM is as follows:

"It is declared to be in the public interest to foster, encourage, and promote the development, production, and utilization of natural resources of oil and gas in the state of Utah in such a manner as will prevent waste; to authorize and to provide for the operation and development of oil and gas properties in such a manner that a greater ultimate recovery of oil and gas may be obtained and that the correlative rights of all owners may be fully protected; to provide exclusive state authority over oil and gas exploration and as regulated under the provisions of this chapter; to encourage, authorize, and provide for voluntary agreements for cycling, recycling, pressure maintenance, and secondary recovery operations in order that the greatest possible economic recovery of oil and gas may be obtained within the state to the end that the land owners, the royalty owners, the producers, and the general public may realize and enjoy the greatest possible good from these vital natural resources."

Utah Code Ann. § 40-6-1.

3. On or about December 11, 2019, the BOGM heard, by emergency motion, the following captioned matter: "In the matter of the Request for Agency Action of WESCO OPERATING, INC. for orders authorizing the flaring of gas from the Blue Hills Gas Plant located in the SW1/4SE1/4 of Section 20, Township 23 South, Range 19 East, SLM, Grand County, Utah," Docket No. 2019-027, Cause No. 194-03.

4. Following a full hearing and deliberations, the BOGM determined the following relief was appropriate under the unique facts and circumstances presented: "The Board hereby authorizes Wesco to flare gas at the Plant at a rate not to exceed 400 Mcf per day through to January 30, 2020, superseding the application of Utah Admin. Code Rule R649-3-20(8) for that period." Findings of Fact, Conclusions of Law and Order.

5. The BOGM also determined the following directive was appropriate under the circumstances:

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"The Board's counsel is directed to prepare and submit for the Chairman's signature and to deliver to the PSC no later than December 18, 2019 a resolution from the Board outlining the Board's statutory duty to prevent waste and, in furtherance thereof, to strongly encourage the PSC to take immediate measures necessary to place the Pipeline back in service and not permanently order it out of service."

Findings of Fact, Conclusions of Law and Order.

6. Based on information and belief, in the case at bar, the Commission is being asked to de-commission and/or order that the subject pipeline connected to the "Plant" not be utilized for the transportation of gas for an unspecified period of time.

7. The BOGM is statutorily mandated to prevent "waste" of Utah's "vital natural resources" and is accordingly authorized to approve the flaring of gas (produced gas and/or associated gasses) for limited volumes and for limited durations. *See* Utah Admin. Code R649-3-20.

8. As the agency and board delegated to protect and efficiently administer Utah's natural resources, the State of Utah and the BOGM's legal rights, administrative interests and statutory mandates may be substantially affected by this proceeding.

9. At this time, the BOGM has not fully determined the specific positions it will assert and/or maintain and/or any relief it may seek. However, the BOGM seeks to intervene for purposes of providing a full and complete record and for affording the Commission with the opportunity to examine the entire legal and factual context before making any order or decision and/or for the purposes of protecting any legal and/or administrative interests that may arise.

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10. The interests of justice and the orderly and prompt conduct of this proceeding will not be materially impaired by allowing the BOGM to intervene.

11. Any notices relevant to this matter and the BOGM's intervention should be sent to

the following:

Michael Begley Utah Board of Oil, Gas & Mining 1594 West North Temple, #300 Salt Lake City, UT 84116 <u>mbegley@agutah.gov</u> 801.538.7227

WHEREFORE, the BOGM respectfully requests leave to intervene in this proceeding to assert and protect its interests and directives as any issues and/or proceedings affecting the same may occur and/or arise.

DATED this 18th day of December, 2019.

STATE OF UTAH BOARD OF OIL, GAS AND MINING

<u>/s/ Michael E. Begley</u> /s/ Michael E. Begley Board Counsel 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84116 (801) 538-7227

CERTIFICATE OF SERVICE

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I CERTIFY that on December 18, 2019, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By U.S. Mail:

Rodney Nugent Registered Agent—PEMC 17 West Main 149 PO Box 149 Green River, UT 84525 * Documents previously mailed to this address have been returned to the PSC as undeliverable.

Dean H. Christensen Manager Dead Horse Oil Company 17 West Main Street Green River, UT 84525 * Documents previously mailed to this address have been returned to the PSC as undeliverable.

<u>By Email</u>: Dan Green (dfgreen1@dslextreme.com) Tariq Ahmad (taroil@yahoo.com)

Terry R. Spencer, Ph.D. (terry@spencerandjensen.com) Spencer & Jensen, PLLC Attorney for PEMC

Rodney Nugent (rnuge1@yahoo.com) Registered Agent – PEMC

Dean Christensen (dirtbag129@gmail.com) Manager, Dead Horse Oil Company

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Cheryl Murray (cmurray@utah.gov) Office of Consumer Services

> <u>/s/ Michael E. Begley</u> /s/ Michael E. Begley