

**CALHOUN COUNTY BOARD OF COUNTY COMMISSIONERS
PLANNING COMMISSION MEETING
SEPTEMBER 26, 2017**

PRESENT AND ACTING:

**DANNY RAY WISE, CHAIRMAN
GENE BAILEY, VICE-CHAIRMAN
DARRELL MCDOUGALD
DENNIS JONES
JERAL HALL**

**MATT FUQUA, ATTORNEY
CARLA A. HAND, CLERK OF COURT AND COUNTY COMPTROLLER
SARAH WILLIAMS, CLERK ADMINISTRATIVE ASSISTANT**

The meeting was called to order by Chairman Wise at 5:00 p.m., CT.

Attorney Fuqua stated there is a conditional use application filed by Spooner Petroleum to drill an exploratory oil well.

Ms. Vinette Godelia, with the Hopping Green and Sams Law Firm, stated she is representing Spooner Petroleum Company. Ms. Godelia provided the Commission with a copy of the power point presentation she has prepared for the meeting. Ms. Godelia presented Clerk Hand with the application materials submitted and discussed for the record. Ms. Godelia explained the Spooner Petroleum Company is requesting the Planning Commission to approve a conditional use permit for an exploratory well for oil and gas, and if the well is successful to convert it to a production well in the future. Ms. Godelia stated a copy of all the permits submitted for approval have been given to the Board of County Commissioners and a copy was also placed in the library for public review. Ms. Godelia stated the last permit to be applied for would be the Water Management District permit, and all permits must be issued before the project could begin. Attorney Fuqua inquired if the Florida Department of Environmental Protection permit application has been filed. Ms. Godelia stated the permit application has been filed, but has not been approved yet. Ms. Godelia stated they are expecting the permit to be approved by the second or third week of October. Ms. Godelia stated Mr. Michael Spooner would be discussing Spooner Petroleum Company, the site of the well, and talk about the construction and design of the well to take care of any concerns that have been heard about the project.

Mr. Michael Spooner, President of Spooner Petroleum Company, addressed the Commission and stated he has a Bachelor of Science degree from Mississippi State University in Biological Engineering, a Petroleum Engineering Master's Degree from Louisiana State University, and has extensive experience drilling for oil and gas in Alabama, Mississippi, Louisiana, Arkansas, and out west. Mr. Spooner stated they drilled several oil wells in Florida in the Jay area about twenty (20) years ago. Mr. Spooner stated one thing he wanted to make clear about their application with FDEP is that they are not seeking an application to frack; this well will not involve fracking. Mr. Spooner stated in Florida there are two

primary producing areas for oil and gas, the northwest area in Santa Rosa and Escambia counties and in south Florida in Collier and Lee counties. Mr. Spooner stated there has been exploration in Calhoun County in past years, and there were nine (9) wells drilled within a ten (10) mile radius of their project site. Mr. Spooner stated the Jay Field in northwest Florida is a prolific oil field, and has produced over 600 million barrels of crude oil. Mr. Spooner stated the Sunny Land Field in south Florida has also produced millions of barrels of crude oil. Mr. Spooner stated their plans are to drill the Hunt 7-3 well to a total vertical depth of 12,900 feet. Mr. Spooner stated they would be utilizing a three (3) acre area for the site in an upland agriculture area that has been used to grow trees. Mr. Spooner stated the surface of the land is owned by the Deseret Ranch and is located in a rural area. Mr. Spooner referred to a vicinity map and other photos showing the general area of the location in Calhoun County. There was further discussion about the property location of the oil and gas exploration well. Mr. Spooner explained the process of finding and drilling an oil well. Mr. Spooner stated first they develop an idea of where oil and gas may be located, negotiate with the mineral right owners and surface owners to get leases and other various agreements, and then apply for all the regulatory permits. Mr. Spooner stated after receiving a permit to drill, and in Florida a Storm Water Management Permit must be received, the next step is preparing the site for a drilling rig. Mr. Spooner stated the well is then drilled, data is evaluated, and the well is determined to be a productive well or a dry hole. Mr. Spooner stated if no oil or gas is present, the well is plugged and abandoned by all State and regulatory requirements, the site is restored, and then they move away from the area. Mr. Spooner stated if the well is found to be productive, the well is completed and tested to see how much oil or gas could be produced. Mr. Spooner stated in Florida, before a well goes to production a company has to go back to FDEP, apply for, and receive an operating permit before production can begin. Mr. Spooner described the site construction process. Mr. Spooner stated they have employed Sloan Engineering to design a storm water system for the site, and to develop the storm water permit application. Mr. Spooner stated once construction is approved, the area would be leveled with a bulldozer and covered with rock to provide a solid base for the drill rig. Mr. Spooner stated a containment berm would be constructed around the entire location to contain anything spilled within the three (3) acre area, and storm water swells to collect any storm water, which are designed for a 24-hour flood event. Mr. Spooner stated containment berms would also be constructed around any tanks and vessels containing diesel fuel with impermeable liners underneath to catch any potential spills. Mr. Spooner stated ground water monitoring wells would be drilled and a baseline established before the well drilling begins. Mr. Spooner stated the ground water monitoring wells would be monitored continuously through the life of the project. Mr. Spooner stated a permit for a fresh water well would also have to be applied for and received. Mr. Spooner stated the volume of water needed would be about 100 to 150 gallons per minute, and the well would not run continuously. Mr. Spooner stated there would be solid waste containers to contain any waste which would be removed and disposed of at permitted landfills, and any liquid waste or sewage would be contained and disposed of as well. Mr. Spooner stated there would be several mobile homes on site for the length of the drilling operation for personnel. Mr. Spooner referred to some diagrams on the power point to show examples of what he has discussed. Mr. Spooner stated the entire drilling process would take five (5) to six (6) weeks. Mr. Spooner stated traffic should not be an issue when trucking in supplies and equipment for the drilling process. Mr. Spooner stated he estimates it would take forty (40) to sixty (60) truckloads to bring in the equipment, which would take three (3) to five (5) days. Mr. Spooner stated they have applied for the Storm Water Management Permit with FDEP and the location is outside of the 100-year flood plain. Mr. Spooner stated there are no wetlands contained in the drill

site. Mr. Spooner stated all crews are trained to operate the equipment and prevent spills. Mr. Spooner stated there is an extensive and well-controlled plan that was submitted to FDEP with the permit application regarding well control. Mr. Spooner stated blow out prevention equipment is in place at all times and tested regularly by a FDEP field inspector. Mr. Spooner stated most of the time, a field inspector is on site daily. Mr. Spooner stated there are environmental and soil cleanup companies available to clean up any spills that could possibly occur. Mr. Spooner stated there are many positive economic benefits of the project, noting there would be construction materials needed for the project, limestone for the road, a water well driller, and local waste handling services. Mr. Spooner stated they believe there is a potential to recover nineteen (19) million barrels of oil from this project if they go to production. Mr. Spooner stated if the average price of \$50 per barrel were used, this would result in a gross revenue of almost one (1) billion dollars. Mr. Spooner stated the State of Florida has an 8% severance tax and would get \$76 million, of which the County would get 1/8th of this amount, which would be about \$10 million. Mr. Spooner stated FDEP was originally required to give them a ruling by October 8 on their permit, but because of the state of emergency declared in Florida due to Hurricane Irma, that has been suspended. Mr. Spooner stated they expect to begin construction in the first quarter of next year providing all permits have been received. Mr. Spooner stressed one more time there will be no fracking or horizontal drilling, and only a vertical well will be drilled to 12,900 feet to test for the presence of oil and gas.

Ms. Godelia stated Spooner Petroleum Company is requesting a conditional use permit as the means of approving this project. Ms. Godelia stated the County's Plan has a conservation element that provides for mineral resource extraction and provides standards and criteria for this to take place. Ms. Godelia stated the standards in place in context are traditional and mining related, and in addition, mining regulations for mineral resource extraction are very conservative. Ms. Godelia stated Calhoun County's Comprehensive Plan structure complies with the Santa Rosa structure; the process is handled the same way through their Comprehensive Plan and conservation element. Ms. Godelia stated these plans and elements are derived from the Department of Labor definition, which classifies mining to include quarrying, mining, and oil and gas extraction. Ms. Godelia stated the Commission has a full application before them, and Spooner Petroleum Company respectfully requests a vote of approval for the conditional use application. Ms. Godelia stated they would be happy to answer any questions.

Commissioner McDougald inquired how many oil wells are located in Jay, FL. Mr. Tom Herbert with Lampl and Herbert Consultants stated there are about 136 oil wells.

Mr. Travis McClendon, a local citizen, inquired of Mr. Spooner in the event the well is successful, are there more plans for additional exploration and well drilling. Mr. Spooner stated if this well were successful, they would be interested in drilling more wells.

Mr. William Wallace, a local farmer, asked Mr. Spooner if he could guarantee the citizens of the County that there will be no fracking. Mr. Spooner stated his company has no intention of fracking this well, and as far as he knows, there has been no fracking in Florida. Mr. Spooner stated the type of reservoirs targeted in Florida do not require fracking. Mr. Wallace inquired if Mr. Spooner included acidification in his definition of no fracking, and if there would be acidification of the well. Ms. Godelia stated if the details of what fracking is defined as were spoken of; a longer conversation would be needed on things

of that nature. Ms. Godelia stated as the term fracking is understood, in regard to the concept that has traditionally been raised, there will not be fracking. Mr. Wallace inquired if Mr. Spooner would release a list of chemicals and quantities to be used for the well drilling. Mr. Spooner responded his company would release a list of chemicals and quantities used as required by the permitting process to FDEP.

Commissioner McDougald stated the last Board of County Commissioners went into the fracking issue in depth, and a fracking resolution was presented, but once the Board received more information about what was considered fracking the issue became convoluted. Commissioner McDougald stated Mr. Spooner has stated publicly this well will not be a fracking well. Commissioner McDougald stated many people are unclear on what is considered conventional drilling and what is considered fracking, but this company has stated this will be a conventional well. Commissioner McDougald stated fracking, as he understands it, is when a horizontal well is drilled and hydraulic pressure is applied to crack the rock, followed with sand and water to hold the cracks open so oil and gas can flow freely. Commissioner McDougald pointed out it has been stated the make-up of our ground is porous lime rock that has no need of hydraulic fracturing to allow the oil and gas to flow freely.

Mr. John Schmarje, a local landowner, asked Mr. Spooner if the revenue he mentioned was only for one well or multiple wells. Mr. Spooner stated his company believes they could recover about nineteen (19) million barrels of oil if an oilfield were found, but this amount would not come from a single well. Mr. Schmarje asked what the length of production could be if an oilfield is found. Mr. Spooner stated the Jay oil field was discovered in 1971 and is still in operation.

Ms. Judy Shelton, a local citizen, inquired how much water 150 gallons per minute would be compared to her well at home, and how much water would be used for the exploratory well. Mr. Spooner stated 150 gallons per minute would be the equivalent of three (3) fifty-five (55) gallon drums of water used per minute, and stated he is not sure how that compares to her well at her home. Ms. Shelton asked how many gallons per minute she would be using at her home. Mr. Spooner stated he could not speak to how Ms. Shelton's personal well operates, but 150 gallons of water per minute was not a lot of water and would not be used on a continual basis. Mr. Spooner stated water would be pumped and collected as needed. Ms. Shelton asked how much water would be used in one month. Mr. Spooner described for Ms. Shelton the process of using water to drill the well. Mr. Spooner stated the water used to drill the well would cycle back through the drill, and a system is used to remove the cuttings from drilling from the water and the water is reused over again. Mr. Spooner stated this system allows them to use less water, and the entire drilling process may use 700,000 to 800,000 gallons of water. Ms. Shelton asked if the field inspector mentioned earlier is employed by Mr. Spooner's company or if they would be from Calhoun County. Mr. Spooner stated the field inspector is employed by the state through the FDEP, who regulates drilling.

Mr. John Morgan Davis, a local citizen, stated he has two (2) irrigation wells that pump 1,000 gallons of water per minute, so the amount of water Mr. Spooner is proposing to use is a small amount of water compared to an irrigation well.

Ms. Peach Winkler-Pierce asked what the berms to be built are constructed with, and what kind of liners would be used. Mr. Spooner stated underneath the area where diesel fuel will be stored, an

impermeable liner will be laid. Mr. Spooner stated the perimeter of the location would be composed of dirt and rock, and is primarily a storm water berm. Ms. Winkler-Pierce stated if there are any spills inside the berm, the contents of the spill will go into the earth. Mr. Spooner stated with the drilling operation any motor oil or diesel fuel areas will have an impermeable liner and will be contained within the berm around those areas. Ms. Winkler-Pierce asked how many gallons each berm could contain. Mr. Spooner responded all the berms are built to contain more liquid than would be stored on site. Ms. Winkler-Pierce asked Mr. Spooner if he thought this were safe, and Mr. Spooner replied he believes it is. Ms. Winkler-Pierce remarked BP thought their operation was safe also. Mr. Spooner responded stating there has never been a blow out in Florida. Mr. Spooner stated his company has researched the FDEP records, and out of the 600 million barrels of oil produced in Florida, only 441 barrels have been spilled. Mr. Spooner stated of the 441 barrels spilled, all but 49 barrels were recovered. Mr. Spooner stated he understands the concerns, but with the amount of traffic we have in Florida more motor oil is dripped out of cars than the barrels of oil that were not recovered from spills.

Ms. Rebecca Jetton asked what would be done with the wastewater from the drilling activity. Mr. Spooner stated the water would be trucked to a commercial disposal well. Mr. Spooner stated if an oil field is developed and there is a larger volume of wastewater produced, they would then apply for a permit with FDEP, and other regulatory agencies required, to drill a salt-water disposal well to dispose of the wastewater on site.

Chairman Wise opened the floor to those who filled out public comment forms on the Conditional Use Permit Application.

Chairman Wise called Mr. Dan Tonsmeire to address the Commission. Mr. Tonsmeire stated he is with the Apalachicola Riverkeeper organization, and provided copies of a resolution, letter, and their preliminary comments to FDEP for Attorney Fuqua, Clerk Hand, and the Commission members. Mr. Tonsmeire read the resolution aloud, and briefly addressed the letter from the Attorney representing the organization and the preliminary comments to FDEP. Mr. Tonsmeire stated in the letter from their legal counsel, the attorney stated drilling for oil in Calhoun County is inconsistent with the Comprehensive Plan. Mr. Tonsmeire conveyed his opinion the application for conditional use should be denied.

Chairman Wise called Ms. Rebecca Jetton to address the Commission. Ms. Jetton asked the Commission to deny the application because she believes the Comprehensive Plan does not address oil drilling as an allowed use under any land use category. Ms. Jetton stated there is also no limit in the Comprehensive Plan to the number of wells allowed in the County, and the majority of land in the County is considered agriculture. Ms. Jetton further explained why she believes the Commission should deny the application for conditional use.

Chairman Wise called Mr. Ken Tucker to address the Commission. Mr. Tucker stated he is an attorney who represents some landowners in Calhoun County. Mr. Tucker stated a few of the landowners own land near the area Mr. Spooner wishes to drill an exploratory well, and they welcome the Spooner well. Mr. Tucker stated the County could benefit economically if the well is successful, since the workers in the oil field would need food, building supplies, and housing. Mr. Tucker stated in the unlikely event of a

spill, FDEP has a whole team of people whose sole job is to administer cleanup of spills, and will have to clean the spill up to health-based standards.


Chairman Wise called Dr. Lauren Anderson to address the Commission. Dr. Anderson stated he is a professor emeritus at Florida State University and has studied plant identification for seventy (70) years, and received his doctorate in botany in 1962. Dr. Anderson stated for over thirty (30) years he has sat on the Florida Endangered Plant Advisory Council, and has been Vice-Chair of the council for several years. Dr. Anderson stated he could report Calhoun County has fifty-eight (58) listed species as threatened or endangered. Dr. Anderson provided the Board with several maps listing priorities for endangered and threatened species in Florida, and areas of highest diversity and rarity of plants and animals in the United States, stating Calhoun County sits in these areas of critical concern. Dr. Anderson stated he believes any kind of industrial production would damage the flora and fauna of the Apalachicola River Basin, and urged the Commission to deny the application for conditional use.

Chairman Wise closed the floor to public comment.

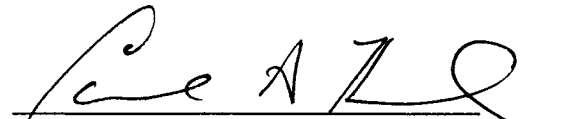
Attorney Fuqua stated the Commission could make a motion to approve the conditional use permit application, to approve the conditional use permit application with conditions, or to deny the conditional use permit application. Attorney Fuqua suggested to the Commission if they chose to approve the conditional use permit application, they approve with the condition the FDEP oil and gas drilling permit, the FDEP Environmental Resource permit, the storm water management permit, the North West Florida Water Management District water well permit for water supply, and the North West Florida Water Management District water well permit for ground water monitoring all be approved and received before construction begins.

- ❖ Commissioner McDougald made a motion to approve the conditional use permit application with the condition the FDEP oil and gas drilling permit, the FDEP Environmental Resource permit, the storm water management permit, the North West Florida Water Management District water well permit for water supply, and the North West Florida Water Management District water well permit for ground water monitoring all be approved and received before construction begins. Commissioner Bailey seconded the motion. Commissioner McDougald stated he has been through this issue extensively with the past Board of County Commissioners, has done his own research, and is convinced conventional oil drilling is safe and is a good thing. Commissioner Bailey inquired where other wells would be drilled in the event the exploratory well were successful. Mr. Spooner stated the other wells would be drilled in the same area of the exploratory well. Commissioner Bailey stated he has reservations about fracking, but is not opposed to conventional oil drilling. Commissioner Bailey stated he believes from an economic standpoint, drilling for oil could have a positive impact on the County and is hopeful that oil will be found. The motion passed 4-1. Commissioner Jones opposed.

There being no further business, the meeting adjourned at 6:02 p.m., CT.


DANNY RAY WISE, CHAIRMAN

ATTEST:


CARLA A. HAND, CLERK