



ILLINOIS OIL & GAS ASSOCIATION

March 31, 2020

Mr. Daniel Brennan
Mr. Ernest Kierbach
Illinois Department of Natural Resources
Office of Oil & Gas Resource Management
One Natural Resources Way
Springfield, Illinois 62702-1271

Dear Mr. Brennan and Mr. Kierbach:

I write you as the President of the Illinois Oil and Gas Association (IOGA). The Oil and Gas Industry is currently suffering from unprecedented circumstances that have converged to present severe economic hardship to our members.

The COVID-19 virus shut down of business and travel has constricted the demand for fuel. Refineries are depleting their storage for both unused finished products and the ability to receive crude from operators for refining. This limits the amount of crude that Illinois operators can sell and the possibility exists that there could be no market available within the very near future.

The price war and ramping up of production by and between Russia and Saudi Arabia have created a vast oversupply of oil resulting in a drastic plunge in the price of oil. Today the posted price for crude in the Illinois Basin is \$13.25 per barrel.

Illinois operators cannot operate with such low oil prices. This necessitates an immediate reduction of operations including the partial or complete furloughing of employees. Operators currently can only address the basics for maintaining leases and wells. There are insufficient resources to cover all aspects of operations that would be customarily addressed in ordinary times.

Reports coming from the field would indicate that inspections and resulting NNCs and NOV's are business as usual. These are not usual times. On behalf of the IOGA membership, it is respectfully requested that the Department consider the implementation of a moratorium on the issuance and enforcement of NNCs and NOV's except for those situations that would reasonably be expected to cause significant environmental harm or damage to property. We request that such a moratorium continue until the economics of the Industry have improved to a point that normal operations can be restored.

I look forward to discussing this with you to arrive at a method and manner of enforcement that would be beneficial for both the Department and operators/permittees during these trying times.

Thank you for your consideration.

Very truly yours,

ILLINOIS OIL & GAS ASSOCIATION

BY 

Bryan Hood, President