



Douglas A. Ducey
Governor

State of Arizona
**Oil and Gas Conservation
Commission**

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Marta Hodan, Oil and Gas Administrator

Commissioners:
Frank Thorwald, Chair
J. Dale Nations, Ph.D., Vice Chair
Stephen R. Cooper
William C. Feyerabend

**MINUTES OF HEARING
RANGER WELL SPACING EXCEPTION
JANUARY 15, 2021**

PRESENT

Mr. Frank Thorwald,	Chairman, Arizona Oil & Gas Conservation Commission (AOGCC)
Dr. Dale Nations,	AOGCC Vice Chairman
Mr. Bill Feyerabend,	AOGCC Member
Mr. Stephen Cooper,	AOGCC Member
Mr. Jay Skardon,	AOGCC Counsel, Office of the Attorney General
Mr. Dennis Turner,	Acting AOGCC Program Administrator
Ms. Tawnya Cook,	Arizona Department of Environmental Quality (ADEQ)

CALL TO ORDER

Mr. Thorwald called the AOGCC Public Hearing of January 15, 2021 to order at 10:00 a.m. via virtual meeting at the Arizona Department of Environmental Quality (ADEQ), Phoenix, Arizona. No one reported any conflicts of interest and the roll call confirmed a sufficient number were present for a quorum.

DISCUSSION AND VOTE ON WELL SPACING EXCEPTION FOR THE RANGER 31-7 NS

Mr. Tony Hines, Project Manager for Ranger Development, LLC, stated that Ranger has just started the permit process for 10 wells, nine of which have already received drilling permits. The Ranger 31-7 NS is located outside of the normal legal location for a Coconino well. Today he is requesting increased density spacing exception and a location spacing exception.

Mr. Hines referred to the map with the labeled wells and explained that the 31-7 NS is 1,424 feet from the lease line instead of the 1,660 feet required, which is the reason for the location spacing exception. Additionally, the Ranger 31-1 is producing from the Coconino zone (another Ranger well in the same zone) and is located 965' northwest of the proposed 31-7 NS location. In accordance with sections 107(B) and 107(B)(2) of the oil & gas rules, Ranger requests permission from the Commission to drill the 31-7 NS at an increased density spacing. Production has dropped off in 31-1; the 31-7 NS would be up dip to tap more Coconino production. The reason for the location spacing exception and placement outside of the normal legal location of 1660' is due to an archeological site to the north. Ranger has notified the offset leaseholder, current lessee.

Mr. Thorwald asked Mr. Turner if he had any comments or discussion and Mr. Turner had none.

Mr. Hines showed a topographic map of the proposed 31-7 and the existing 31-1 well locations, which showed the existing road and the proposed new road to the 31-7 NS.

Mr. Turner recommends approval. Mr. Cooper asked for clarification of the "P&A" on Mr. Hines' map – Mr. Hines confirmed that it is "Plug & Abandon" and that the other offset wells on the map have

been plugged and abandoned. Mr. Feyerabend asked for clarification on why Ranger needed to move the well. Mr. Hines confirmed it was due to the archeological site.

Mr. Thorwald opened up the discussion to the Public. Dr. Kevin Gibson stated he was particularly concerned about breaking density and spacing regulations for two reasons. The first reason is that the environment in the area is becoming more and more fragile due to the drought and well access roads damage the environment. Mr. Gibson also stated that if we keep giving exceptions at a higher rate, it nullifies the actual regulations. Mr. Gibson would like the Commission to consider that when looking at this case.

Ms. Martha Pierce with Protect Our Water Arizona, questioned if this was going to take water out of the Coconino aquifer, and does this fall under any protection from the APP since it is not in the same location as the previously 80 permitted wells. Mr. Hines explained that the Coconino aquifer is very brackish (v. high TDS - 50,000-60,000 ppm) and there are no plans to pump any water; only the helium gas. Total depth will be about 950 feet. Ms. Pierce also echoed what Dr. Gibson said about paying closer attention when exceptions are requested.

Mr. James Ballard suggested to the Commission that they might want to consider presenting in future requests, what roadwork is going to be undertaken for a new location, to help appease the minds of the locals who are concerned for the environment. Mr. Hines explained that the extra road would be built off an existing lease road, which is approximately 600 feet long.

Dr. Nations asked about the current production from the Coconino in the 31-1. Mr. Hines informed him that current production is less than 20 mcf per day.

Ms. Debbie Gibson, with Protect Our Water Arizona, questioned if the well is going to be acid stimulated in order to get the helium. Mr. Hines answered that there will be no stimulation in the Coconino.

Mr. Cooper noted that ocean water is between 34-36 ppt (~35,000 ppm). Mr. Hines confirmed that the Coconino salinity is very high here, greater than 50,000 ppm.

Dr. Nations moved, seconded by Mr. Cooper to
GRANT LOCATION SPACING EXCEPTION AS REQUESTED BY RANGER FOR THE 31-7 NS WELL
Motion carried unanimously.

Dr. Nations moved, seconded by Mr. Feyerabend to
INCREASE THE APPROVED SPACING DENSITY TO 40 ACRE SPACING
Motion carried unanimously.

The meeting adjourned at 10:21 a.m.

REVIEWED



FRANK THORWALD
CHAIRMAN

3/19/2021

DATE

GUESTS IN ATTENDANCE

Jim Ballard

David Haag, AZ State Land

Pat Kane, ASLD

Noa Bruhis, ASU

Joe Dixon

Dr. Kevin L. Gibson

Lou Rozs

Wayne Pearce

Kevin McQueen, Ranger Development

Tony Hines, Ranger Development

Chris Robinson, Prize Energy

Erin Young, City of Flagstaff

Mary McGillicuddy