



Douglas A. Ducey  
Governor

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

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Dennis L. Turner, Oil and Gas Administrator

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

**MINUTES OF MEETING**  
**June 23, 2017**

PRESENT:

Mr. Frank Thorwald, Chairman of the Oil & Gas Conservation Commission (OGCC)

Mr. Robert Wagner, Member

Mr. Stephen R. Cooper, Member, via telephone

Dr. Dale Nations, Member, via telephone

Mr. Rick Zeise, OGCC Counsel

Mr. Dennis Turner, Oil & Gas Program Administrator

CALL TO ORDER

Mr. Thorwald called the OGCC Meeting of June 23, 2017 to order at 10:00 a.m. in Room 3100B at the Arizona Department of Environmental Quality, Phoenix, Arizona.

DISCUSSION AND APPROVAL OF MEETING MINUTES

For the meeting of April 14, 2017:

Mr. Wagner moved, seconded by Mr. Thorwald, Mr. Cooper abstained:

THAT THE MINUTES OF THE APRIL 14, 2017 MEETING BE APPROVED.

Motion carried.

For the meeting of May 16, 2017:

Mr. Cooper moved, seconded by Mr. Wagner, Mr. Thorwald abstained:

THAT THE MINUTES OF THE MAY 16, 2017 MEETING BE APPROVED.

Motion carried.

REPORT BY THE OIL AND GAS ADMINISTRATOR

Enterprise Products – Adamana LPG facility. The company has completed all workovers and mechanical integrity tests on wells C-4, C-5, C-6 and C-7. Mechanical integrity tests were also performed on wells C-8 and C-9.

PHMSA Interim Rule in Arizona. The Interim Rule for underground gas storage issued by the Pipeline Health and Safety Administration (PHMSA) is not applicable in Arizona at this time. Only if a future natural gas underground storage facility is constructed in the state, will this rule will apply. Underground storage of LPG is not regulated by this rule, as per discussions with the Dennis Randolph, Pipeline Safety Program Manager, Pipeline Safety Division of the Arizona Corporation Commission and Adam Peltz, Senior Attorney for the Environmental Defense Fund.

Upcoming permit actions. The Hafley #1 application will expire on August 6, 2017. Mr. Turner will grant no more extensions and the operator has indicated no interest in drilling. Ranger Development submitted three new applications for well spacing exceptions; all three are intended to test the Shinarump Member of the Chinle. The Commissioners established the Public Hearing date for July 12, 2017, Room 3100B at ADEQ.

IOGCC dues payment and future continuous funding source. Mr. Thorwald spoke to Mike Smith, Executive Director of the Interstate Oil and Gas Compact Commission (IOGCC) about Mr. Smith's May 25<sup>th</sup> email to Mr. Turner regarding the 2016 dues. The conversation ended with an agreement that the OGCC will pay the \$7,500 when money is available in the budget; it was confirmed that the dues are voluntary. No further discussion is necessary about this matter. A future source for continuous funding was not discussed.

Permit Checklists. The checklists for permit applications, well completions and plugging and abandoning are complete. Mr. Turner will obtain a final review from Asst. Attorney General Rick Zeise, after which the checklists will be posted for download in the OGCC web site.

OGCC web site updates. Production figures through January 2017 are now posted to the OGCC web site. This work was solely due to the excellent effort of Nyal Niemuth, retired Arizona Geological Survey (AZGS) employee who was hired as a temporary ADEQ employee for the second half of FY 2017. There is definitely a willingness, on ADEQ's part, to continue to maintain the Oil & Gas Viewer, but resolution of all the issues that occurred due to the closing of the AZGS continues at a snail's pace. Gaps in fairly recent well data indicate that the Viewer has not been regularly maintained or updated with new well information since about 2010. Mr Niemuth may be brought in on a temporary basis in FY 2018 to help restore the Viewer to its intended function.

Recent training. Mr. Turner attended a one day forum for oil and gas inspectors at the annual IOGCC Business Meeting in Oklahoma City, OK, May 7, 2017. Mr. Turner also participated in a TOPCORP inspectors training in Austin, TX, May 23 – 25, 2017.

#### REPORT BY THE CHAIRMAN

Discussion with US Geological Survey about drill sample storage. The USGS (Denver Federal Center) maintains a repository of drill samples for many states and would be interested in taking control of Arizona's oil and gas samples, provided that the OGCC can provide at least an inventory of all samples. Dr. Nations stated that such an inventory was created years ago, but is no doubt very much out of date for the samples collected since the 1980's. Mr. Zeise cautioned that these samples are official public record, and as such, may not be allowed to leave the state. He will research this further.

Update on discussions with Governor's Office about miscellaneous items from past OGCC meetings. The OGCC Chairman is obtaining the Governor's renewal of appointments for all Commission members. The IOGCC Arizona representative is appointed by the Governor and Dr. Nations remains the representative.

Mr. Thorwald announced that a future regular OGCC meeting will include a presentation by Asst. Attorney General Rick Zeise on Open Meeting Law and Public Records Law.

The OGCC entered an Executive Session at 11:05 a.m. The OGCC returned to the Regular Session at 11:20 a.m.

#### CALL TO THE PUBLIC

No comments from the public.

#### ANNOUNCEMENTS

No announcements.

ADJOURNMENT

Dr. Nations moved, seconded by Mr. Cooper:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:21 a.m.

REVIEWED



FRANK THORWALD  
CHAIRMAN

8/4/2017  
DATE

GUESTS IN ATTENDANCE:

Joe Dixon, AZ State Land Dept.  
Keenan Murray, AZ State Land Dept.  
Valerie Thorsen, AZ Dept. of Environmental Quality