



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 MEETING

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 Meeting of January 15, 2021 to order at 10:22 a.m. via virtual meeting at the Arizona Department of Environmental Quality (ADEQ), Phoenix, AZ. No one reported any conflicts of interest and the roll call confirmed a sufficient number were present for a quorum.

DISCUSSION AND APPROVAL OF MEETING MINUTES

Dr. Nations moved, seconded by Mr. Feyerabend, that:

THE MINUTES OF NOVEMBER 20, 2020 BE ACCEPTED AS PRESENTED

Motion carried unanimously.

REPORT BY THE OIL AND GAS ADMINISTRATOR

Rare Earth Exploration LLC 12-1 State and 28-1 State – Update on P & A and bond forfeiture of the 12-1 and 28-1: Mr. Turner gave a brief background on the wells. We have received no feedback from the Operator except for a brief email earlier in the week asking the Administrator about the status of things. Mr. Turner responded to the email explaining we are still waiting for the requirements that were set forth by Marta Hodan in previous communications with Mr. Brad Haycraft. Mr. Turner has not heard back from Mr. Haycraft, nor was he in attendance at the meeting, so Mr. Turner is going to proceed with the plug & abandonment. This includes writing a scope of work and putting the job out for bid.

Ranger Development: Ranger received approval for 6 new helium wells and the 7th was approved at today's hearing. The 34-7 PD State started drilling last fall and was suspended for various logistical and mechanical reasons. The drillers returned and are approaching TD; currently at a depth of 1,414 feet.

Desert Mountain Energy: 26-1 State is a new well that was permitted in mid-November and drilled in the first week of December. Operator received a cease and desist order from the City Flagstaff after drilling was completed. The well location is about 1.5 miles from Red Gap Ranch, the City of Flagstaff's new groundwater source. The Operator attended a hearing with the City of Flagstaff that resulted in a temporary restraining order barring any further work. Desert Mountain Energy is appealing the TRO in the State Supreme Court. The Operator did reach total depth, but the well is inactive, and likely to

remain so until the TRO is lifted. Mr. Turner will contact Desert Mountain Energy about putting the well into temporary abandonment status.

Pollard Helium 36-1: The Commission has taken over the bond to plug & abandon. The plug & abandonment will be done the first week of February by Butler Oil.

Prize Energy Resources, Inc.: APP is still in process, ADEQ is writing a response to comments from the draft permit that they posted. Prize Energy has not submitted any drilling applications to the Commission.

REPORT BY THE AOGCC CHAIRMAN

Web portal: No activity due to Ms. Hodan being temporarily out.

Rules update: Mr. Thorwald discussed a week and a half ago some of the changes with the Governor's Office and will have a pre-meeting with another of the Governor's staff in about a week. The schedule for the rule update is to submit the exception requests sometime in early summer and move forward from there, as well as put it out for public comment at that time.

Report by Vice Chairman Dale Nations on IOGCC requests: Dr. Nations has no updates. Mr. Thorwald said the last he has heard is that they have sent out requests for different questions and the Commission will be providing answers to them after Administrator Hodan returns.

Website redesign: ADEQ is continuing to work on this, Ms. Hodan set it up before she went on leave. There should be some changes when Ms. Hodan gets back and send out for everyone to take a look at and get final approval.

ADEQ: Mr. Thorwald has continued to meet with the Director and have had a number of discussions on matters related to oil and gas.

Legislation: There has been some additional legislation dropped as of the 13th here in the State regarding hydraulic fracturing prohibiting prohibitions. Mr. Thorwald has not looked at it yet, but he will likely be opposing it.

REVIEW AND CONSIDER FUTURE AGENDA ITEMS

Mr. Thorwald will be reinstating the briefings that we've been having in the past, however they will be adjusted to be able to get a little broader understanding for the public as well as the Commissioners on the various topics. The IOGCC has provided a list and Mr. Thorwald has been contacting them as well as a variety of other groups.

ANNOUNCEMENTS

Ms. Hodan had two healthy babies and all are doing well.

ADJOURN

The meeting adjourned at 10:37 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

Tony Hines, Ranger Development

Chris Robinson, Prize Energy

Erin Young, City of Flagstaff

Mary McGillicuddy