



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

MARCH 19, 2021

PRESENT:

Mr. Frank Thorwald	Chairman, Arizona Oil & Gas Conservation Commission (AOGCC)
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. Marta Hodan,	AOGCC Program Administrator
Ms. Tawnya Cook,	Arizona Department of Environmental Quality (ADEQ)

CALL TO ORDER

Mr. Thorwald called the AOGCC Meeting of March 19, 2021 to order at 10:00 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

Mr. Cooper moved, seconded by Mr. Feyerabend, that:

THE MINUTES OF JANUARY 15, 2021 PUBLIC MEETING AND THE MINUTES OF JANUARY 15, 2021 RANGER DEVELOPMENT HEARING BE ACCEPTED AS PRESENTED

Motion carried unanimously.

REPORT BY THE OIL AND GAS ADMINISTRATOR

ASU Helium Perspectives Research: Ms. Noa Bruhis gave a presentation on her PhD Thesis. Ms. Bruhis' thesis subject focuses on the differing perceptions of helium extraction in Arizona. She is collecting input from various stakeholder, the public, private companies, regulators and more. Her research involves the creation of short videos that describe topics that have been identified as either controversial or differences of opinion or perspectives surrounding helium extraction. Some topic examples are helium extraction methods, geology, well spacing exemptions, permit processing – topics that are not well understood or with differing perspectives across all interested parties. Ms. Bruhis explained the process for developing the videos, which will not include names or faces at this point. The videos topic is identified, a script is developed based on collected data and then all parties involved in the study are given the opportunity to review and give feedback. The goal is to find points of disagreement between these parties in order to find ways to get everyone on the same page or highlight the differing views. The thesis will create resource material and an opportunity to pinpoint the differing opinions and perspectives across interested parties.

Ms. Bruhis opened up the discussion for questions. Mr. Thorwald asked if there was anything being asked of the Commission. Ms. Bruhis explained that at this stage they are still reaching out to participants to join the study. The more representatives from the stakeholder groups the better. Mr. Bruhis would love participation from the Commission. Mr. Cooper thanked Ms. Bruhis for the work she is doing. Mr. Thorwald expressed a concern regarding fair and equal treatment to the Commission. Dr. Kirk Jalbert gave a brief background on how they came in to the work, in the hopes of providing context in the case of perceived miscommunications or misunderstandings might be with the Commission. Mr. Turner requested that Ms. Bruhis and Dr. Jalbert send links of where this type of presentation has been successful elsewhere. Mr. Turner expressed his concern with having trust from all parties. Dr. Jalbert reassured Mr. Turner of how the process works and what protections are available to participants. Mr. Feyerabend questioned who would be represented on the videos – everyone or just the concerned citizens. There was some conversation regarding who has been approached about this topic and who might need to be in the future, as well as what the legal options are for staff and the Commission to participate.

Rare Earth Exploration LLC 12-1 State and 28-1 State: 2 wells that have been discussed many times regarding plug & abandonment. There will be a meeting with Ms. Hodan, Mr. Turner and ADEQ's Procurement to go over the Scope of Work and then to develop a bid package.

Pollard Helium 36-1: This plug & abandonment will be done using the operator's performance bond. The driller, Butler Petroleum is currently waiting on the Right-of-Access from the State Land Department in order to plug & abandon the well.

Ranger Development: Well 34-7 NS has been in process since September. The Operator is working on post-drilling work.

Prize Energy Resources, Inc.: Do not currently have any drilling permits before the Oil & Gas Commission. They do have an aquifer protection permit which has been appealed by the Center for Biological Diversity. The Water Quality Appeals Board will be hearing that appeal.

Desert Eagle Drilling: A new entity that has applied for a drilling permit on a geologic structure about 9 miles due south of Holbrook. The land is owned by the Aztec Land & Cattle Co.

Desert Mountain Energy well status: Have drilled 3 wells - 10-1 State, 16-1 State, 26-1 State. 26-1 State is in a temporary restraining order until the Operator appeals it to the State Supreme Court. All three wells are officially in temporary abandonment status, so no work can be done on them until they have approval from the Commission.

REPORT BY THE AOGCC CHAIRMAN

Web portal: Still on hold due to financial resources.

Rules update: Mr. Thorwald has spoken with the Governor's Office and with the GRRC Chairman regarding the rules update and let them know it would be submitted sometime this summer. The Governor's Office has looked at them and they have no issues with it.

Procedures manual/SOPs: Mr. Turner had some updates and is working with Ms. Hodan to let her know where they are located in the files.

Website redesign: ADEQ has been working on this while Ms. Hodan has been out – she is reconnecting with them to get a status update. Ms. Hodan indicated that by the next meeting there should be changes rolling out.

ADEQ: ADEQ Director and Mr. Thorwald have met many times since the last meeting, along with ADEQ staff to discuss a variety of topics. The relationship is improving greatly.

Future presentations: Have not scheduled anything to date, but will have updates for the next meeting.

Budget: Regarding federal grants, Mr. Thorwald has been in touch with the IOGCC, and they have put him in touch with EPA and Department of Energy (DOE). He has spoken with both and they have given him lots of information that he is still going through.

Legislation affecting the Arizona Oil and Gas Conservation Commission: Mr. Thorwald hasn't seen anything that will affect the Commission at this point.

CALL TO THE PUBLIC

Ms. Martha Pearce, with Protect Our Water Arizona, commented that water is a commodity that is very important, and in her opinion, allowing any outside mining interest to use and take our water for any mining interest seems careless and against the best interest of the people of Arizona. She explained the importance of conserving the water when it comes to making decisions about mine activities and permits. Mr. Wayne Pearce echoed what Ms. Pearce commented.

ADJOURN

Mr. Cooper moved, seconded by Mr. Thorwald that

THE MEETING BE ADJOURNED

Motion carried unanimously. The meeting adjourned at 11:10 a.m.

REVIEWED



FRANK THORWALD
CHAIRMAN

5/21/2021

DATE

GUESTS IN ATTENDANCE

Ferreira
Jim Ballard
Joe Dixon, AZ State Land
Kevin McQueen
Lou Rozs
Noa Bruhis, ASU
Erin Stone

Dr. Kevin L. Gibson
Kirk Jalbert, ASU
Patrick Kane
Wayne Pearce
Martha Pearce
Todd, AZ State Land
Tim Demko