



Katie Hobbs
Governor

State of Arizona
Oil and Gas Conservation Commission

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Tyler Reed, Oil and Gas Administrator (Acting)

Commissioners:
Frank Thorwald, Chair
J. Dale Nations, Ph.D., Vice Chair
Stephen R. Cooper
William C. Feyerabend
F. Michael Conway, Ph.D.
Land Commissioner Ex Officio
(non-voting member)

**NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION
ARIZONA OIL AND GAS CONSERVATION COMMISSION**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Arizona Oil and Gas Conservation Commission (AOGCC or Commission) and to the general public that the AOGCC will hold a meeting open to the public on **February 17, 2023, 10:00 A.M.**

This meeting will be virtual only. To participate by video and view presentation materials during the meeting:

Join Zoom Meeting

<https://us02web.zoom.us/j/82882700931?pwd=by9uUHhRNHc2dXJpU1Q2L2hacXlUz09>

Meeting ID: 828 8270 0931

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Please join a few minutes early to avoid technical difficulties and remember to keep all microphones muted except when speaking. This virtual meeting will be recorded. If you experience difficulties logging into the meeting please contact Andrew Foss, Oil and Gas Project Manager, at foss.andrew@azdeq.gov or (602) 618-3588 for technical assistance.

Pursuant to A.R.S. § 38-431.03(A)(3), the Commission may vote to go into executive session, which will not be open to the public for the purposes of obtaining legal advice on any item on the Agenda.

The AGENDA for this meeting is as follows:

1. Call to Order
 - a. Establish a quorum
 - b. Conflicts of interests
2. Introduction - Air Quality Division Deputy Director - Hether Krause
3. Introduction - Acting Administrator - Tyler Reed
4. Introduction - Project Manager I - Brooke Bolger
5. Introduction - Project Manager I - Andrew Foss
6. Introduction - Project Manager III - Wendy Flood
7. Discussion and Appropriate Action by the Commission
 - a. Cobalt Group Spacing Exception presented by Scott Bowles
 - i. The Cobalt Group, LLC is interested in a spacing exception for 2 new wells.
 - b. Desert Mountain Energy Spacing Exception presented by Marta Hodan
 - i. Desert Mountain Energy Corp. is interested in a spacing exception.
 - c. Pinta Dome Operating Spacing Exception presented by Joshua Hukill
 - i. Pinta Dome Operating, LLC is interested in a spacing exception for #36-1 State.
8. Report by AOGCC Acting Administrator Tyler Reed
 - a. Permit issuance including the Drilling & Completions Activity Update
 - i. Application for Permit to Drill (APD): Pinta South (8-4; 14-7 NM; 26-6 PR; 34-7 PR; 36-7 PR)

- ii. APD: Desert Mountain 26-1 State
 - iii. Arizona Energy Partners AEP 2-1 MS went out of Temporary Abandonment status and began drilling on October 31, 2022
 - iv. Myriad Resources finished drilling the Rattlesnake 1-21 on 12/7/2022
 - v. Pinta South 36-1 SD State began drilling on 2/1/2023
 - vi. Jayd Ventures LLC: JV-29-1 was expected to be completed in Dec 2022. For JV-31-1 and JV-35-1, conductor casing was set and sites prepared for drilling that was expected in January 2023
 - vii. Desert Mountain 26-1 State to begin drilling operations week of 2/13/2023
- b. Federal Funding opportunities:
- i. Infrastructure & Jobs Law: AZ estimated total Formula and initial grant eligibility: \$29,872,000.00
 - ii. <https://www.doi.gov/pressreleases/biden-administration-announces-115-billion-states-create-jobs-cleaning-orphaned-oil>
- c. Initial Grant update
- i. Initial Grant – AZ eligibility - \$25,000,000
 - ii. Task order 1 update
 - iii. Community engagement platform in progress
 - iv. Draft Initial Grant guidance was published by the DOI
<https://content.govdelivery.com/accounts/USDOI/bulletins/30f4e97>
- d. Formula Grant update
- i. Formula Grant – Letter of Intent was submitted December 29th, 2021
 - ii. Formula Grant – AZ eligibility - \$1,262,000
 - iii. DRAFT Formula Grant Guidance was released on January 24th, 2023
- e. DOI Initial Grant Subaward Agreements
- i. Ground Water Protection Council (GWPC) to develop the Arizona Oil & Gas Risk Based Data Management System (RBDMS) database. GWPC is exploring additional funding through the Department of Energy to enhance RBDMS configuration with a dashboard and a data visualization tool.
 - ii. University of Arizona to prepare the well data for incorporation into the RBDMS database.
9. Report by AOGCC Chairman Frank Thorwald
- a. Interstate Oil and Gas Conservation Compact (IOGCC)
 - b. New Mexico Produced Water Research Consortium (NMPWRC) update
 - c. Office of Navajo and Hopi Indian Relocation (ONHIR):

- i. Discussion with the Navajo Nation on inspections and access.
 - ii. Discussion on plugging and abandonment on wells.
- d. Discussion with the Office of Navajo Nation on production, storage and reuse of Hydrogen and Carbon.
- e. GWPC potential DOE funds
- f. Sharing of information between O&G and other agencies
- g. Report by Vice Chairman Dale Nations
- h. Legislation affecting the Arizona Oil and Gas Conservation Commission
- i. Administrative Rules update:
 - i. 5 Year Rule Review (5YRR)
 - ii. Proposed statute changes
 - iii. Rule Package Status
- j. Pore Space
- k. Lobbyist Report
- l. Re-establishing Oil and Gas Conservation Commission administratively separate from other state agencies

10. Report by AGOCC Commissioner Stephen Cooper

- a. Lobbyist Report

11. Budget Report by Hether Krause

12. AZ State Land Commission representative update

13. Call to the Public

Members of the public may address the Commission during this Call to the Public. In the interest of maintaining an orderly meeting, comments shall not exceed three minutes per speaker. For any specific issues, the total comment period shall not exceed ten minutes per side. Pursuant to A.R.S. § 38-431.01(H), the Commission members shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. As a result of public comment, the Commission members may respond to criticism, may direct staff to review a matter, or may ask that a matter be placed on a future agenda.

14. Commission Requests for Future Agenda Items

15. Announcements

16. Adjournment of the Commission

For additional information about this meeting, contact Tyler Reed, Oil and Gas Program Administrator (Acting), azogcc@azdeq.gov or (602) 771-4501. At least 24 hours prior to any

meeting, a copy of the agenda will be available for public inspection at the Arizona Department of Environmental Quality (ADEQ), 1110 W. Washington Street, Phoenix, AZ 85007, or online at <http://www.azdeq.gov/ogcc-notices>. The meeting video and background material provided to Commission members shall be made available at <http://azogcc.az.gov/meetings>.

Persons with disabilities may request reasonable accommodation by contacting Title VI Nondiscrimination Coordinator, Leonard Drago, at 602-771-2288 or Drago.Leonard@azdeq.gov. Requests should be made as early as possible to allow time to arrange accommodations.