



Douglas A. Ducey
Governor

State of Arizona
Oil and Gas Conservation Commission

1110 W. Washington Street, Phoenix, AZ 85007
602-771-4501
www.azogcc.az.gov

Dennis L. Turner, Oil and Gas Administrator

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

December 29, 2017

IN THE MATTER OF APPLICATION TO:
EXCEPTION TO SPACING RULE, FILED BY:

RANGER DEVELOPMENT LLC.

NOTICE OF HEARING

ON SECTION 15, TOWNSHIP 14 NORTH
RANGE 25 EAST, G&SRM

RANGER DEVELOPMENT LLC., having filed application and notice of intention to drill one new well on Section 15, Township 14 North, Range 25 East, Gila and Salt River Base and Meridian and on Gila and Salt River Base and Meridian, location being in Apache County, Arizona, and having requested that an exception be made to Arizona Administrative Code R12-7-107(B) relative to the spacing of gas wells,

IT IS HEREBY ORDERED, under the provisions of Arizona Administrative Code R12-7-107(E) that a public hearing be held at the office of the Arizona Department of Environmental Quality, 1110 West Washington Street, Phoenix Arizona on the 12th January 2018, Room 3100B at the hour of 10:00 a.m. at which time and place any and all interested parties may produce evidence as to why said application should or should not be granted.

GIVEN under my hand and the seal of the State of Arizona this 28th day of December, 2017.

Frank Thorwald

Chairman, Oil Gas Conservation Commission

AGENDA FOR PUBLIC HEARING FOR RANGER DEVELOPMENT LLC.

January 12, 2018

10:00 a.m., Room 3100B

Arizona Department of Environmental Quality

- Presentation by Ranger Development LLC. on justification for the well spacing exception for Ranger 15-1 Oso, including geologic and any other subsurface data.
- Discussion, consideration, possible vote by the OGCC to grant or deny the well spacing exception.

NOTE: IMMEDIATELY FOLLOWING THE CONCLUSION OF THE HEARING, THE COMMISSION WILL RECONVENE FOR A REGULAR PUBLIC MEETING. SEE SEPARATE AGENDA.



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Public Hearing of the Arizona Oil & Gas Conservation Commission
Ranger Development Well Spacing Exception

10:00 a.m., January 12, 2018, ADEQ Conference Room 3100B, Phoenix, Arizona

Name / Organization – please print	email	phone
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HAND DELIVERED
10:00AM, 1/12/2018



Dennis L. Turner, R.G.
Oil & Gas Program Administrator
Arizona Oil & Gas Conservation Commission
c/o Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

January 12, 2018

Dear Mr. Turner,

We have received notice from Ranger Development LLC of Dallas Texas, of their application for a Permit to Drill a Well (Oso 15-1) on Section 15 of T14N-R25E to the Arizona Oil & Gas Conservation Commission, dated 12/8/2017. This letter is a formal submission of intervention by United Helium Incorporated, objecting to Ranger Development's application.

Firstly, we submit that the consideration of the Ranger application should be deferred until after completion of the drilling of the already approved AEP 16-1; on State of Arizona, Lease No. 13-117191 to United Helium Incorporated. The reason for the deferral is that the results of the drilling on AEP 16-1 may exacerbate, or mitigate, the impact that the proposed Ranger Oso 15-1 will have on the United Helium State lease and the AEP 16-1 operations.

Reasons for Objection:

1. The Ranger Development well location, for Oso 15-1, is in violation of R12-7-107 which states *"No well drilled for gas shall be located closer than 1,660 feet from any boundary of the drilling unit"*. The Ranger Application clearly states that it is 1028 feet from the West Section Line, dividing Section 15 from Section 16.

R12-7-107. Spacing of Wells

...

B. Every well drilled for gas shall be located on a drilling unit consisting of approximately 640 but not less than 600 contiguous surface acres within one governmental section upon which there is not located, and of which no part is attributed to, any other well completed in or drilling to the same pool.

1. In areas not covered by United States Public Land Surveys, the gas drilling unit shall consist of an area bounded by four sides intersecting at angles of not less than 85 degrees or more than 95 degrees. The unit shall contain at least 600 contiguous surface acres and its maximum dimension shall not exceed 8,500 feet.

2. No well drilled for gas shall be located closer than 1,660 feet from any boundary of the drilling unit.

2. The proposed well site may violate R12-7-107 (B) which states: "Every well drilled for gas shall be located on a drilling unit consisting of approximately 640 but not less than 600 contiguous surface acres within one governmental section upon which there is not located, and of which no part is attributed to, any other well completed in or drilling to the same pool." The Proposed Ranger Oso 15-1 will very like be drilling into the same gas pool as the AEP -16-1.
3. Ranger Development in their Justification for Well Spacing supplement, state "*This location (Oso 15-1) is up dip from PetroSun 15-1 NMAL which reported several gas shows of interest...*". This statement is affirmation that Ranger is drilling a gas well.
4. The Ranger Development Application for Oso 15-1, states that is 3254 feet from the nearest "*drilling, completed, or applied for well*". The approved AEP 16-1 on Section 16 of T14N-R25E. is about 1780 feet from Ranger's proposed well location for Oso 15-1.

Respectfully,



Ray Hobbs
CEO

United Helium Incorporated
7830 East Redfield Road, Suite 1
Scottsdale, Arizona 85260