IN THE MATTER OF APPLICATION TO:
EXCEPTION TO SPACING RULE, FILED BY:
PRIZE ENERGY RESOURCES, INC.

PROPOSAL TO DRILL ON 40 ACRE SPACING IN
THE SHINARUMP MEMBER OF THE CHINLE
FORMATION IN ALL OR PARTS OF THE
FOLLOWING TOWNSHIPS IN SOUTHERN
APACHE COUNTY:

T16N, R27E through R31E.
T17N, R27E through R31E;
T18N, R27E through R31E;
T19N, R27E through R31E;
T20N, R26E through R29E;
T21N, R26E through R29E;

NOTICE OF HEARING

PRIZE ENERGY RESOURCES, INC. having filed notice of intention to drill new wells
in the twenty-eight (28) Townships referenced above 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(F) that a public hearing be held at the office of the Arizona Department of Environmental
Quality, 1110 West Washington Street, Phoenix Arizona on the 24th of January 2020, 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 proposal should or should not be granted.

GIVEN under my hand and the seal of the State of Arizona this 21st day of January 2020.

[Signature]
Frank Thorwald
Chairman, Oil Gas Conservation Commission
AGENDA FOR PUBLIC HEARING FOR PRIZE ENERGY RESOURCES, INC.

January 24, 2020

10:00 a.m., Room 3100B, Arizona Department of Environmental Quality

- Prize Energy will present a plan to the Arizona Oil and Gas Conservation Commission to drill on 40 acre spacings in the Shinarump Conglomerate member of the Chinle Formation and request Commission approval.

- Discussion, consideration, possible vote by the Commission to grant or deny Prize Energy’s request to drill to the Shinarump on 40 acre spacings within the Townships stated in the Hearing announcement, above.

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

Any comments provided by the public shall not exceed three (3) minutes per speaker. The overall comment period shall not exceed ten (10) minutes per side. The Commission shall have the authority to end any public discussion that exceeds ten (10) minutes per side or twenty (20) minutes in total. The public may also attend this Commission hearing either in person or by telephone. Please contact the Oil and Gas administrator at least 48 hours before the scheduled meeting to arrange for a member of the public to attend by telephone. In cases where an emergency meeting is called by the Commission and 48 hours’ notice is not possible, a minimum 24 hours’ notice from the public is required.

For additional information about this meeting, contact Dennis L. Turner, Oil and Gas Program Administrator, ogcc@azdeq.gov or (602) 771-4501. A copy of the agenda and background material provided to Commission members (with the exception of material relating to possible Executive Sessions) is available for public inspection at the Arizona Department of Environmental Quality (ADEQ), Records Management Center, 1110 W. Washington Street, Phoenix, AZ 85007, or online at http://www.azogcc.az.gov/meetings.

ADEQ will take reasonable measures to provide access to department services to individuals with limited ability to speak, write or understand English and/or to those with disabilities. Requests for language interpretation, ASL interpretation, CART captioning services or disability accommodations must be made at least 48 hours in advance by contacting Ian Bingham, Title VI Nondiscrimination Coordinator at 602-771-4322 or idb@azdeq.gov. Teleprinter services are available by calling 7-1-1 at least 48 hours in advance to make necessary arrangements.

ADEQ tomará las medidas razonables para proveer acceso a los servicios del departamento a personas con capacidad limitada para hablar, escribir o entender inglés y / o para personas con discapacidades. Las solicitudes de servicios de interpretación de idiomas, interpretación ASL, subtítulos de CART, o adaptaciones por discapacidad deben realizarse con al menos 48 horas de anticipación contactando a Ian Bingham, Coordinador de Anti-Discriminación del Título VI al 602-771-4322 o idb@azdeq.gov. Los servicios de teleimpresores están disponibles llamando al 7-1-1 con al menos 48 horas de anticipación para hacer los arreglos necesarios.

To request an auxiliary aid or service for accessible communication, please contact Ian Bingham, (602) 771- 4322, idb@azdeq.gov
Public Hearing of the Arizona Oil & Gas Conservation Commission
Prize Energy Resources, Inc.
10:00 a.m., January 24, 2020, Room 3100B

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<th>Name / Organization – please print</th>
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