



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.

MINUTES OF HEARING
RANGER DEVELOPMENT WELL SPACING EXCEPTION
January 12, 2018

PRESENT:

Mr. Frank Thorwald,	Chairman, Arizona Oil & Gas Conservation Commission (“OGCC”)
Mr. Stephen R. Cooper,	OGCC Member
Mr. Bill Feyerabend,	OGCC Member
Dr. Dale Nations,	OGCC Member (via phone)
Mr. Rick Zeise,	OGCC Counsel
Mr. Dennis Turner,	Oil & Gas Program Administrator

CALL TO ORDER

Mr. Thorwald called the OGCC Public Hearing of January 12, 2018 to order at 10:06 a.m. in Room 3100B at the Arizona Department of Environmental Quality, Phoenix, Arizona.

NOTE: Due to poor cell phone reception, Dr. Nations terminated the phone connection at 10:18 a.m.

DISCUSSION of RANGER DEVELOPMENT, L.L.C. WELL SPACING EXCEPTION FOR THE 15-1 Oso.

Ranger Development LLC had previously submitted a complete well spacing application for this well. Copies of the entire well package submitted by Ranger for the well were previously sent to the Commissioners and their application is a public record that is attached to these minutes. The entire well file is also available for public review.

United Helium presented a letter to the Commission objecting to the proposed location of Ranger’s Oso 15-1. The letter requested deferral of drilling the Oso 15-1 until Arizona Energy Partners (AEP) drills the 16-1 (permit #1215) in the section immediately west, T14N, R25E, sec. 16. United Helium claims: that the location is in violation of A.A.C. R12-7-107(B); and that Ranger is drilling a gas well, which United Helium asserts is the same objective for the AEP 16-1. The Administrator, Mr. Turner, stated he received a voice mail and also had a phone conversation with Mr. Gordon LeBlanc of AEP confirming that the target units of the 16-1 were chiefly hydrocarbons in the Devonian units and the Pennsylvanian Naco Formation. The fact that United Helium asserts the primary target is helium was unknown to the Administrator and deemed as new information for the Commission. United Helium’s letter also objected to Ranger’s failure to show the location on their application of the AEP 16-1, approximately 1780 feet west of the Oso 15-1. Ranger’s omission was probably due to the fact that the 16-1 has not been drilled.

The OGCC was unable to determine whether United Helium has any standing in objecting to the well spacing of the Oso 15-1. The Commission voted to continue the Hearing to February 23, 2018 (next meeting) and requested United Helium to produce documentation before the next meeting to satisfy that it has legal standing. Alternatively, if another party does have legal standing in this matter and

objects, they must appear on February 23rd. Otherwise, the Commission will only be able to act on the facts as known at this time: to approve Ranger's request for a well spacing exception for the Oso 15-1, because Ranger made a sound technical justification for its well location and no one with standing in the matter appeared to make an objection.

The Commission did not approve the well spacing exception, but instead voted to continue the Hearing to the next regularly scheduled meeting date on February 23, 2018.

ADJOURNMENT

Mr. Thorwald moved, seconded by Mr. Feyerabend

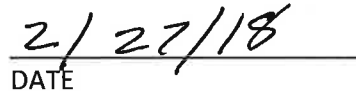
THAT THE MEETING BE ADJOURNED

Motion carried unanimously. The meeting was adjourned at 11:23 a.m.

REVIEWED



FRANK THORWALD
CHAIRMAN



DATE

GUESTS IN ATTENDANCE:

Joe Dixon, AZ State Land Dept.

Clare Bellendir, Aztec Land & Cattle Co.

Ray Hobbs, United Helium

Bob Bambauer, Sunbelt Holdings

Kevin Hebert, Southwest Groundwater Consultants

Nyal Niemuth, Geologist

Michele Van Quathem, Attorney

James H. Ballard

Tony Hines, IACX

Kurt Constenius, Twin Bridges

Nathan Miller, Southwest Groundwater Consultants