State of Arizona  
Oil and Gas Conservation Commission  
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www.azogcc.az.gov  
Dennis L. Turner, Oil and Gas Administrator

MINUTES OF HEARING  
ARIZONA ENERGY PARTNERS WELL SPACING EXCEPTION  
SEPTEMBER 14, 2018

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

CALL TO ORDER
Mr. Thorwald called the AOGCC Public Hearing of September 14, 2018 to order at 10:01 a.m. in Room 3100B at the Arizona Department of Environmental Quality, Phoenix, Arizona.

DISCUSSION and VOTE on ARIZONA ENERGY PARTNERS (AEP) 16-1 MS WELL SPACING EXCEPTION.

Jamie Hogue, Consultant for AZ Energy Partners, made a brief presentation and requested the AOGCC grant spacing exception for AEP’s 16-1 MS. The proposed depth is 4,000 ft. to test the Devonian Naco Formation.

After the Commission discussed the issue, Dr. Nations said the spacing exception for the 16-1 MS is justified, based on the geological interpretation and moved, seconded by Mr. Thorwald:

THAT THE SPACING EXCEPTION FOR THE APPLICATION TO DRILL THE AEP 16-1 MS BE APPROVED AS SUBMITTED.

The motion passed unanimously 4-0.

Mr. Thorwald asked for public comment.

Mr. Ballard, a member of the public, stated that he knew of no jurisdiction that would have authority to prohibit gas monitoring during the drilling operation phase of a well, due to safety issues. In Mr. Ballard’s opinion, the need for a spacing hearing is necessary for geologic reasons and when adjoining leaseholders may be drained by the placement of a well outside the spacing prescribed by rule.

Lisa Test, a member of Nofrackingaz.com and resident of southern Apache County, provided comments about sinkholes, breccia pipes and contamination of Little Colorado River.

The Hearing was adjourned at 10:16 a.m.

REVIEWS

[Signature]
FRANK THORWALD  
CHAIRMAN

18/26/2018
DATE
GUESTS IN ATTENDANCE:

Joe Dixon, AZ State Land Dept.
Jason Abplanalp, AZ State Land Dept.
Rachel Charlton, ASU
Noa Bruhis, ASU
Stephen Romanovsky, ASU
Lisa Test, Nofrackingaz.com

James H. Ballard
Todd Clement, Triomphe Energy
Scott Bowles, Triomphe Energy
Jamie Hogue, AEP consultant
Bailey Reynolds, ASU