MINUTES OF HEARING
THE COBALT GROUP, LLC WELL SPACING EXCEPTION
October 3, 2019

PRESENT
Mr. Frank Thorwald, Chairman, Arizona Oil & Gas Conservation Commission (AOGCC)
Dr. Dale Nations, AOGCC Vice Chairman (via phone)
Mr. Bill Feyerabend, AOGCC Member
Mr. Stephen Cooper, AOGCC Member
Mr. Jay Skardon, AOGCC Counsel, Office of the Attorney General
Mr. Dennis Turner, AOGCC Program Administrator
Ms. Tawnya Cook, Arizona Department of Environmental Quality (ADEQ)

CALL TO ORDER
Mr. Thorwald called the AOGCC Public Hearing of October 3, 2019 to order at 10:30 a.m. in Room 3100B at the Arizona Department of Environmental Quality (ADEQ), Phoenix, Arizona. No one reported any conflicts of interest and the roll call confirmed a sufficient number were present for a quorum.

DISCUSSION AND VOTE ON THE COBALT GROUP, LLC WELL SPACING EXCEPTION
Mr. Turner provided the basis of the well exception hearing for the Cobalt 20-21-21-#1 well in T.20N, R.21E, Section 21. The Cobalt Group, LLC, ran some velocity surveys in a nearby well. This, and another location, are the result of a revised seismic interpretation based on that survey. This well needs a spacing exception because its set back distance is 879 ft. from the north section line.

Scott Bowles, representing The Cobalt Group, LLC, thanked the Commission for allowing them to participate in the hearing by phone. Mr. Bowles referred the Commission to page 9 of the well application, and referred them to the location of the Triomphe #1 well. He explained that reinterpretation of the seismic data defines a structure upon which the proposed well is located. The proposed location is close to the Triomphe 1 well, which provides information on the deeper targets of the proposed basement test. The Triomphe 1 was drilled to 4,500 ft., and this proposed well will be drilled to basement and test formations below the Coconino Sandstone.

The Administrator recommended approval of the spacing exception.

Dr. Nations moved, seconded by Mr. Thorwald, that

THE COMMISSION APPROVE THE SPACING EXCEPTION FOR THE COBALT 20-21-21 #1 FEE WELL

Motion carried unanimously.

Mr. Thorwald moved to adjourn, seconded by Dr. Nations.

The Hearing adjourned at 10:33 a.m.
REVIEWS

FRANK THORWALD
CHAIRMAN

12/6/2019

DATE

GUESTS IN ATTENDANCE

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<thead>
<tr>
<th>Scott Bowles, Cobalt Group (via phone)</th>
<th>Pat Kane, AZ State Land Department</th>
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<td>Tony Hines, Ranger Development LLC</td>
<td>David Haag, AZ State Land Department</td>
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