



Douglas A. Ducey  
Governor

State of Arizona  
**Oil and Gas Conservation Commission**

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Dennis L. Turner, Oil and Gas Administrator

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

**MINUTES OF MEETING**  
**March 16, 2017**

PRESENT:

Mr. Frank Thorwald, Chairman of the Oil & Gas Conservation Commission (OGCC)  
Mr. Robert Wagner, Vice Chairman  
Mr. Stephen R. Cooper, Member  
Dr. Dale Nations, Member (via telephone)  
Mr. Rick Zeise, OGCC Counsel  
Mr. Dennis Turner, Oil & Gas Program Administrator

CALL TO ORDER

Mr. Thorwald called the OGCC Meeting of March 16, 2017 to order at 10:00 a.m. in Room 3100B, Arizona Department of Environmental Quality, Phoenix, Arizona.

DISCUSSION AND APPROVAL OF THE MINUTES OF THE MEETINGS

The meeting minutes of February 17, 2017 were unavailable, so this subject was tabled to the next meeting.

FIVE YEAR RULE REVIEW REPORT

A second roll call was taken for the purpose of re-establishing a quorum for a vote to approve the Oil and Gas Rule Review Report. Mr. Thorwald recused himself as he is now a member of the Governor's Regulatory Review Council (GRRC), which reviews most rules to ensure that they are necessary and to avoid duplication and adverse impact on the public and is the final step in the rulemaking process. A quorum of four was present.

After some discussion, Mr. Wagner moved, seconded by Dr. Nations:

THAT THE OGCC APPROVE THE FIVE YEAR RULE REVIEW REPORT AND THE COVER LETTER FOR THE OIL AND GAS RULES A.A.C. R12-7, ART. 1. FOR SUBMITTAL TO GRRC.

Motion carried unanimously.

At the end of this session, Mr. Thorwald returned to the room and resumed control for the remainder of the meeting.

HORTENSTINE 35-1 (PERMIT 919) OWNERSHIP TRANSFER AND BOND RELEASE:

The Oil and Gas Administrator summarized the case, receipt of the requested signed ownership transfer documents and asked for the Commission's approval to approve the transfer.

Mr. Cooper moved and Mr. Wagner seconded:

- 1) THAT THE OGCC SHALL RECEIVE WRITTEN AUTHORIZATION FROM RANGER DEVELOPMENT, L.L.C. AUTHORIZING A TRANSFER OF THE BOND OR BLANKET BOND TO COVER THE HORTENSTINE 35-1 WELL.
- 2) THAT THE BOND SHALL BE RELEASED UPON SATISFACTION OF THE ADMINISTRATOR AND THE ARIZONA ASSISTANT ATTORNEY GENERAL THAT ALL STEPS HAVE BEEN COMPLETED TO RETURN THE BOND TO HOLBROOK ENERGY
- 3) THAT THE HOLBROOK ENERGY BOND SHALL BE RELEASED UPON THE PLACEMENT OF A BOND BY RANGER DEVELOPMENT L.L.C. FOR THE HORTENSTINE 35-1.

Motion carried unanimously.

ARIZONA ENERGY PARTNERS (AEP): Change of ownership of the Holbrook Energy 17-1 NZOG (Permit 924) well and application of \$25,000 blanket bond to the NZOG 17-1 well.

The OGCC determined that this action was purely an administrative one and did not need a vote to authorize or approve. The Oil & Gas Administrator will review all documents and take the appropriate action.

ANNOUNCEMENTS

The next OGCC meeting is April 14, 2017 in Tucson and the standard meeting time of 10:00 a.m. remains unchanged. The OGCC will discuss and evaluate the limited sample storage space situation in the basement of the former AZGS building, 416 West Congress. If there are other agenda items, the group will move to Room 444 in 400 W. Congress after the sample storage discussion.

ADJOURNMENT

Mr. Thorwald moved, seconded by Mr. Wagner:

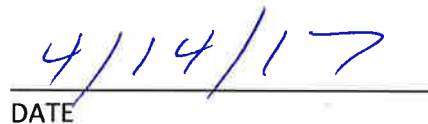
THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment: 11:22 p.m.

REVIEWED



FRANK THORWALD  
CHAIRMAN

  
DATE

GUESTS IN ATTENDANCE:

- Joe Dixon, AZ State Land Dept.
- Keenan Murray, AZ State Land Dept.
- Gordon LeBlanc, Arizona Energy Partners
- Ray Hobbs, United Helium
- Thomas White, Kinder-Morgan CO<sub>2</sub> Co.