



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](http://www.azogcc.az.gov)

Dennis L. Turner, Oil and Gas Administrator

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

**MINUTES OF HEARING**  
**RARE EARTH, LLC WELL SPACING EXCEPTION**  
**APRIL 12, 2019**

PRESENT:

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

CALL TO ORDER

Mr. Thorwald called the AOGCC Public Hearing of April 12<sup>th</sup>, 2019 to order at 10:05 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 RARE EARTH LLC WELL SPACING EXCEPTIONS:

Mr. Turner provided the basis of the Well Exception Hearing. Rare Earth Exploration, LLC proposed a well spacing exception for a helium well in Section 12, T 15 N, R 22 E in Navajo County, Arizona. Brad Haycraft, the operator from The Rare Earth, LLC presented its justification for well spacing exception. The operator believes that the exception will allow the well to be drilled on a structural high of the Supai Formation for helium exploration.

A discussion of land ownership surrounding the site followed and how deep Rare Earth will drill in the Supai. The Rare Earth LLC has applied for two other permits within the state of Arizona. The well will be drilled with air or foam.

The public has lodged a complaint against Rare Earth LLC on another site. Public member Lisa Test previously complained about a spill at the Rare Earth 24-1, north of Heber and west of the AZ Highway 377. This has been in shut-in status since July 2018. Ms. Test submitted photo evidence of the site and the sign identifying the site.

Mr. Thorwald enquired about nearby aquifers and the protection of fresh water. Ms. Test stated that the photographs were taken June 2018 while the conditions were dry. Mr. Thorwald advised Mr. Turner to inspect the site when available.

Following adjournment of this meeting, Mr. Turner inspected the site and found no evidence of any spill. The site is naturally restoring itself and has minimal disturbance.

Dr. Nations commented that there was sufficient geological information to make a motion. There were no further public comments and discussion.

Dr. Nations moved, seconded by Mr. Feyerabend that:

THE RARE EARTH LLC APPLICATION FOR THE 12-1 WELL SPACING EXCEPTION BE APPROVED AS SUBMITTED.

Motion carried unanimously (4-0).

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

The Hearing adjourned at 10:25 a.m.

REVIEWED

  
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FRANK THORWALD  
CHAIRMAN

5/24/2019  
DATE

Tony Hines, Ranger Development LLC  
Noa Bruhis, ASU  
Jason Abplanalp, AZ State Land Department  
David Haag, AZ State Land Dept.

James H. Ballard  
Tara Sommer  
Lisa Test, No Fracking AZ (via phone)