MINUTES OF HEARING  
Nov. 15, 2016  

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

CALL TO ORDER  
Mr. Thorwald called the OGCC Public Hearing of Nov. 15, 2016 to order at 10:02 a.m. in Room 3100B, 
Arizona Department of Environmental Quality, Phoenix, Arizona.  

PRESENTATION BY KURT CONSTENIUS, RANGER DEVELOPMENT, L.L.C., AND DISCUSSION  
Kurt Constenius of Twin Bridges, L.L.C. (a joint venture partner with IACX Energy, a.k.a. Ranger 
Development, L.L.C., or Ranger) presented proposals for drilling three new Helium wells, based on data 
from nine newly acquired seismic lines. Accompanying this well proposal package was the 
recommendation to re-name a part of the Pinta Dome to the Mustang Dome, based on new geologic 
interpretations resulting from the new data. 

During the middle of the presentation, Mr. Von Jenson and Ms. Gen Northrup, representatives of a local 
homeowners’ association (HOA) in southern Apache County, near Ranger’s Pinta Dome well field, raised 
concerns about property ownership and access rights of local residents in the HOA. Their chief 
complaint centered around their belief that Ranger, and possibly other operators, had laid pipelines 
above ground without agreements from the local HOA. Ranger representatives explained that the 
pipelines are 6 inch diameter HDPE that transport the helium produced within the well field to IACX’s 
helium recovery unit. The pipelines are submerged when crossing a roadway or right-of-way, and the 
pipeline’s diameter is small enough that livestock in the area do not notice it and merely step over it. 
Commission Member Stephen Cooper questioned whether the Jenson and Northrup claims were within 
OGCC jurisdiction. 

After approximately an hour’s worth of discussion and deliberation, the Commission requested that Mr. 
Constenius continue his presentation. The presentation showed that the well spacing exceptions are 
based on recent drilling results and new seismic data. The presentation concluded that some of the 
previously drilled wells, once thought to have defined a simple anticlinal structure, are actually situated 
on two distinct anticlines. Pinta Dome also has some structural undulations on its crest, two of which are
the targets of the proposed drilling program. Ranger used seismic data and outcrop geology to
demonstrate that part of Pinta Dome should be renamed Mustang Dome. The field data, including the
U. of A. master's thesis work by Dunlap (1969), shows that the proposed Ranger 2-1 well will be 25 feet
higher on the upthrown side of the fault block that is separated from Pinta Dome by the northeast­
trending Navajo Springs fault.

The Commission decided to vote in favor of all of the following proposals (the vote was unanimous in
favor of all items):

- Approve spacing exception for proposed Ranger 2-1
- Approve spacing exception for proposed Ranger 33-2
- Approve spacing exception for proposed Ranger34-2
- Rename the Pinta Dome area to be drilled by Ranger 2-1 to the Mustang Dome

Following more discussion, the Commission requested that Mr Rick Zeise, OGCC Counsel, and Mr Paul
Katz, Counsel for the Arizona State Land Dept. confer on whether the OGCC has jurisdiction over the
landowners' concerns. The Commission established another Public Hearing for Dec. 1st to hear the
landowners' case and reconsider the spacing approvals, if the discussion between the attorneys
revealed that the OGCC has jurisdiction.

Following the hearing and the attorneys' discussion, Mr Zeise informed Mr Thorwald that the
Commission had no jurisdiction to consider the landowners' concerns. The Dec. 1 hearing was
immediately cancelled and the O & G Administrator notified the landowners' representatives who
attended the hearing of the cancellation.

CALL TO THE PUBLIC

No formal call to the public was made, because the discussion about Mr Jenson's access issues was
incorporated into the discussion about whether to approve the three Ranger applications to drill.

ANNOUNCEMENTS

None.

ADJOURNMENT

Mr. Thorwald moved, seconded by Mr. Feyerabend

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:30 a.m.

REVIEWED

FRANK THORWALD
CHAIRMAN

DATE

1/6/17
GUESTS IN ATTENDANCE:

Joe Dixon, AZ State Land Dept.  Von Jenson, landowner
Gen Northrup, landowner  Michele Van Quathem, Attorney
Kurt Constenius, Twin Bridges Geologist  Filip Myc, Twin Bridges, LLC
Nyal Niemuth, Consulting Geologist  Tony Hines, V.P., Ranger Dev.
David Wahl, Consulting Geologist