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Commissioners:

Frank Thorwald, Chair

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**NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION
ARIZONA OIL AND GAS CONSERVATION COMMISSION**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Arizona Oil and Gas Conservation Commission (OGCC or Commission) and to the general public that the OGCC will hold a meeting open to the public on **February 17, 2017, at 10:00 a.m. in Room 3100B**, third floor of the of the Arizona Department of Environmental Quality, 1110 W. Washington Street, Phoenix, Arizona.

AGENDA:

1. Call to order
2. Discuss and approve the meeting minutes of:
 - January 6, 2017 and
 - February 3, 2017
3. Ranger Development L.L.C. (Ranger) issues to be discussed and voted on by the Commission:
 - The Administrator will summarize the subject for discussion by the Commission
 - Discuss multiple zone completions and comingling production of helium gas from the Coconino and Shinarump formations: Multiple Zone Completions (A.A.C. R12-7-116), Comingling of Production from Pools (A.A.C. R12-7-137) and Use of Vacuum Pumps (A.A.C. R12-7-139).
 - Discussion with Tony Hines, IACX/ Ranger about the operator's intent to do multiple zone completions, comingle production and use of vacuum pumps.
 - Discuss and vote on what additional requirements should be made for multiple zone completions, in accordance with A.A.C. R12-7-116
 - Discuss and vote on what additional requirements should be made for comingled production, in accordance with A.A.C. R12-7-137
 - Discuss and vote on what additional requirements should be made (if applicable) for use of vacuum pumps, in accordance with A.A.C. R12-7-139
 - The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Arizona Attorney General's Office on: 1) how to authorize/ approve Ranger activity after the fact of their multi-zone completions; 2) how to authorize/ approve after the fact Ranger's intent to comingle production in the Shinarump and Coconino formations; or 3) whether to address these matters in a formal hearing first and then vote on them.
 - Discrepancies in proper names of wells – General discussion on well naming conventions; if necessary, the OGCC will vote on an agreed-upon well nomenclature that will be implemented with this meeting.

4. Holbrook Energy wells
 - Hortenstine 35-1 (Permit 919): recap of status, inspection by the OGCC Admin. & responsibilities of interested parties in accordance with A.A.C.R12-7-103(C).
 - Gordon LeBlanc, on behalf of Holbrook Energy, will present background history of the Hortenstine 35-1 and any other information he deems relevant
 - Ranger will discuss their plan for the well and present their letter of intent and Sundry Notice to the OGCC
 - The OGCC will discuss, implement and/or vote on:
 - Forfeiture of Holbrook Energy's \$10,000 bond for the Hortenstine 35-1;
 - Appropriate procedure and forms to release/ forfeit the performance bond (\$10,000);
 - Appropriate procedure to transfer control of well from current operator to Ranger
 - Whether to transfer the bond to Ranger or allow the company to cover it under an existing blanket bond; and
 - Whether to allow Ranger to: 1) assume responsibility for the well; and 2) the company's intended scope of work on the well.
 - Holbrook Energy 17-1 NZOG (Permit 924) well. Ownership recently changed to HNZ Holding, LLC and the operator changed to Arizona Energy Partners (AEP).
 - The Administrator will summarize the file contents and previous OGCC actions. In addition, the OGCC will consider any and all documents and materials provided by AEP.
 - The OGCC will vote on whether to approve the requested confidentiality of completion data for a period of one year, pursuant to A.A.C. R12-7-121(C).
5. Kinder-Morgan – renewal of temporary abandonment status. The O & G Administrator received a letter from Kinder-Morgan dated January 19, 2017, in accordance with A.A.C. R12-7-125(B) demonstrating the future beneficial use of their wells in the St. Johns Gas Unit. The letter was requested by the OGCC, in support of continuing the blanket temporary abandonment status of those wells.
 - The OGCC will discuss and vote on the matter of approving a 5 year extension to coincide with the Arizona State Land Department's recent renewal of the St. Johns gas unit.
6. Five Year Rule Review Report: the Commission will discuss and vote on the following:
 - Preliminary discussion of Commissioners' comments on report
 - Special meeting of OGCC (March 9th?) to review/ discuss/ approve the draft report content as final, for submittal to GRRC on or before March 24, 2017.
 - The Commission may hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on the approval steps for the Five Year Rule Review Report
7. The Assistant Attorney General and the OGCC will discuss oil and gas drilling on Tribal lands:
 - Issuing permits on OHNIR lands, who have only surface rights (no mineral rights);
 - Issuing permits on Tribal lands where the landowner has only surface rights; and
 - Issuing permits on Tribal lands where the landowner has surface and mineral rights.
 - The Commission may vote to hold an executive session for the purpose of obtaining legal advice from their attorney on the matter of issuing drilling permits and collecting production data from producing wells on Tribal lands.

8. OGCC action items on the following procedures and rule interpretations; the OGCC will vote on all items that need approval:
 - Confidential status for certain trade secrets & proprietary information: A.R.S. § 44-1374
 - Accepting a blanket bond (A.A.C R12-7-103), such as, what criteria must be met, when submitted, when refunded or forfeited
 - Payments of performance bonds ((A.A.C R12-7-103)) of any kind are only accepted when they are part of an Application for a Permit to Drill or Re-enter
 - Review past practices of operators' compliance with completion reports (A.A.C. R12-7-121(A)): 1) how to interpret "the operator shall submit other well data to the Commission within 30 days of the date the work is done"; 2) determine if it is correct to link "completion operations" defined in A.R.S. § 27-551(2) with "date the work is done"; 3) acceptable electronic formats (*e.g.*, PDF, .LAS, .WCL, ...)
 - Inspections and inspection rights
 - Review draft Inspection & Inspection Rights Form; request Asst. Attorney General to review form for legal accuracy
9. Call to the public: This is the time for the public to comment. Members of the Commission may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further discussion and decision at a later date.
10. Announcements
 - The next regularly scheduled meeting of March 31 may be moved to April 14, 2017. OGCC may discuss and possibly announce that the next meeting will be held in Tucson. The Commissioners need to see the limited space that remains for future drill cuttings and core in the basement of the former AZGS building, 416 West Congress, Tucson.

11. Adjourn

Members of the Oil and Gas Conservation Commission will attend either in person or by telephone conference call. The public may be afforded an opportunity to comment on any agenda item; however, at the beginning of the meeting, the Commission may vote to set up a time limit on individual comments.

NOTE: The Oil and Gas Conservation Commission may vote to hold an Executive Session, pursuant to AR.S. § 38-431 .03(A)(3) or (4), which will not be open to the public, to consult with its attorney and receive legal advice with respect to any regular agenda item listed on this agenda.

For additional information about this meeting, contact Dennis L. Turner, Oil and Gas Program Administrator, (602) 771-4501. A copy of the agenda and background material provided to Commission members (with the exception of material relating to possible executive sessions) is available for public inspection at the Arizona Department of Environmental Quality, Records Management Center, 1110 W. Washington Street, Phoenix, AZ 85007. Note also that the agenda items may be taken out of order.

To request an auxiliary aid or service for accessible communication, please contact Caroline Oppleman, (602) 771-2215 or co2@azdeq.gov or dial 7-1-1 for TTY/TTD Services.