

OIL & GAS CONSERVATION COMMISSION  
Meeting: January 18, 1980  
Mr. W. E. Allen, Executive Secy.

1980 JAN 18 9 52 AM



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420

PHOENIX, ARIZONA 85007

PHONE: (602) 271-5161

A G E N D A

Meeting  
January 18, 1980  
1645 West Jefferson, Room 420  
Phoenix, Arizona

10:00 a.m.

Call to Order

1. Approval of minutes of meeting of November 16, 1979
2. Report of Executive Secretary
3. Report of Enforcement Section
4. Report of Geology Section
5. Old Business
6. New Business
7. Adjourn

IF YOU ARE UNABLE TO ATTEND THIS MEETING, PLEASE NOTIFY THIS OFFICE AS SOON AS POSSIBLE.



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ACTIVITY REPORT

January 9, 1979

W. E. Allen  
Executive Secretary

You will recall that we had a bill introduced in the last session of the state legislature which granted the Commission statutory rights to make natural gas pricing determinations. This legislation was requested at the suggestion of the Attorney General's Office. The proposed bill failed to make it through the various committees.

This proposed legislation is necessary if this Commission is to follow the guidelines for natural gas pricing determination as set forth by the Federal Energy Regulatory Commission under the Natural Gas Policy Act of 1978.

Senator Boyd Tenney, Chairman of the Senate Natural Resources Committee, and Representative Bill Lewis, Chairman of the House Natural Resources Committee, have agreed to sponsor this proposed bill in the upcoming session of the legislature.

Senator Stan Turley has expressed willingness to work with the Registrar of Contractors in an effort to expedite the issuing of licenses to oil and gas well drilling contractors. You may recall that I discussed this situation with you at our last meeting.

At long last, the budget people, both from the Governor's Office and the Joint Legislative Budget Committee, have, I believe, completed their recommendations on our budget. We were treated fairly kindly in all categories except out of state travel. They cut \$1500 from this feature. Now it's up to the legislature for their recommendations.

Provident Energy Company is seeking permission from the Bureau of Land Management for a right of way for a 16-inch

Executive Secretary  
January 8, 1980  
Page 2

oil pipeline from a point just southwest of Kingman to Maricopa, Arizona. This line will serve to furnish feedstock to their proposed 50,000 barrel refinery to be located in Maricopa. I believe that Provident has secured all necessary permits from the state and county for the construction of the refinery. We have attended several hearings relating to zoning for this operation and very little opposition to the plant was offered.

This date, Anschutz Corporation has been issued a drilling permit to drill a 20,000 foot test in Pinal County. The location is approximately 14 miles southeast of Florence. Don will comment more fully on this in his report.

The Finance Division now requires that all travel claims for reimbursement must be substantiated by receipts. It will now be necessary that you submit receipts for lodging and for all meals, as well as any public transportation.



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255-

ACTIVITY REPORT

January 9, 1980

Don Whittaker  
Director, Enforcement Section

REGULATORY ACTIVITIES

This appears to be the lull before the storm. We have been advised that the following companies have made application with the U.S. Geological Survey for drilling permits on federal lands:

1. Gulf Oil Co.  
Mohave County, 36N-9W-31
2. Pyramid Oil Co.  
Mohave County, 41N-9@-33
3. J. Shields & Travis Oil  
Coconino County, 41N-1W-section unknown

State lands:

A drilling permit has now been issued to The Anschutz Corp. to drill their No. 1-10-2 Anschutz Texoma on state lands. The well is located in sec 2-7S-10E, Pinal County. Permit was issued for a depth of 20,000 feet. They propose to set 300' of 30" casing, 2,600' of 20", 11,000' of 13 3/8", 16,000' of 9 5/8", and 20,000' of 7". This operation will require the services of two rigs. Both will be moved in from Wyoming. The first rig will drill a 36" hole to accommodate 30" casing. It will then be moved off and the second rig will be moved in to finish the hole. It is estimated the second rig will be made up of 100 truck loads of equipment. They have allotted 320 days for the drilling of this well. Spud date is slated for February 1.

FIELD TRIPS AND INSPECTIONS

1. Cal Gas Storage Facility, Maricopa County  
All systems in compliance with Commission regulations
2. Buckeye Gas Company Storage Facility  
Flare system installed but they are experiencing difficulty in lighting the flare. They have requested assistance from Cal Gas.
3. M. Goodell Basin State No. 1, Mohave County  
Inspected location to determine if plugging procedures are acceptable so that performance bond may be canceled. This was found to be satisfactory

Activity Report  
January 8, 1980  
Page 2

Production for the year through November:

	<u>Bbls</u>
Kerr-McGee, Dineh-bi-Keyah Field	369,954
Monsanto Co., Dry Mesa Field	12,276
Energy Reserves Group, Teec Nos Pos Field	37,952
Merrion & Bayless, East Boundary Butte Field	3,104
Total State Oil Production - 11 months	425,298

DW:os



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ACTIVITY REPORT

January 8, 1980

Sal Giardina  
Geology Section

Sales of publications since previous report totaled \$398.95.

Overthrust Belt Play. The deep overthrust test in Nevada, located about 32 miles from the Arizona strip country, is currently drilling at 14,000 feet; but Mobil Oil has not yet released any stratigraphic information. The results of this test are vital to further evaluation of the Arizona overthrust play.

The Geological Society of America has recently published several papers which add favorable data to the postulated Appalachian overthrust. Several seismic-reflection profiles were published which appear somewhat similar to the Anschutz seismic data I examined in November. Although this new data is encouraging, Arizona appears to lack the surface manifestations of these postulated thrust faults. Therefore, the proposed Anschutz well remains the key to the play.

New Publications. The report, "Geologic Review of Northwestern Arizona for Petroleum Investigations," has been printed and is now available for distribution. The report appears to be timely as requests for purchase have already been made. Exploration and drilling interest in the Strip Country is increasing, with nearly all available land currently under lease.

SG:os