

OIL & GAS CONSERVATION COMMISSION
Meeting: March 20, 1981
Mr. W. E. Allen, Exec. Secy.



OFFICE OF

Oil and Gas Conservation Commission
STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

A G E N D A

Meeting
March 20, 1981
1645 West Jefferson, Room 420
Phoenix, Arizona

10:00 a.m. Call to Order

1. Approval of Minutes of Meeting of January 16, 1981
2. Report of Executive Secretary
3. Old Business
4. New Business
5. Adjourn

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

OIL AND GAS CONSERVATION COMMISSION
1645 West Jefferson Street
Suite 420
Phoenix, Arizona 85007

Minutes of Meeting
January 16, 1981

Present:

Mr. Ralph W. Bilby, Chairman
Mr. Hal Butler, Vice Chairman
Dr. J. Dale Nations, Member
Mr. Johnny Gregovich, Member
Mr. L. A. Palmer, Member

The regular Commission meeting of January 16, 1981 was called to order by Chairman Ralph Bilby at 10:00 a.m.

Minutes of the meeting of September 19, 1980 were approved as written.

The Executive Secretary advised that Southwest Natural Gas Company intends to initiate an underground natural gas storage project in the Red Lakes area northwest of Kingman, Arizona, although they have not yet applied for a permit. The Executive Secretary expressed concern about several aspects of the safety of the project and suggested that a hearing be held before approval of the project. After discussion, Dr. Fellows agreed that the Department of Geology and Mineral Technology would investigate and report to the Commission on the geological problems in general of the Red Lake area.

The Executive Secretary advised that the United States Geological Survey, in cooperation with certain members of the scientific community, have proposed to take over the well drilled by Phillips Petroleum Company in Pinal County, Arizona, for scientific study and that it will be necessary that we have an agreement with the United States Geological Survey, together with their bond, as required by statute. Upon completion of the studies, the well would be plugged and abandoned in accordance with the Commission rules and regulations. The Executive Secretary advised the Commission members they would be kept advised of further developments.

The Executive Secretary advised that the Interstate Oil Compact Commission is sponsoring a workshop on underground injection control in Kansas City, Missouri on February 4 and 5, 1981 and he felt it was extremely important that a staff member attend. After discussion, it was moved and passed that the Executive Secretary arrange to have the necessary funds transferred from another account to the Out-of-State Travel Account and that Mr. Don Whittaker attend the workshop.

Minutes of Meeting
January 16, 1981
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Member Dale Nations suggested that the Executive Secretary submit an annual report to the members of the Commission which would cover drilling activities, production data, and a map showing the areas of activity. After discussion, it was moved and passed that such report be compiled for the calendar year 1980, and be submitted on an annual basis thereafter.

Member Johnny Gregovich thanked the members of the Commission for the kindness and interest they expressed to him during his recent illness. Chairman Bilby responded that the Commission members were very glad to have Mr. Gregovich back.

Dr. L. D. Fellows, State Geologist, advised that the Bureau of Geology and Mineral Technology in Tucson has employed a geologist who will take over the responsibility for geological state map revision projects and will work closely with the Commission staff on the revisions. Chairman Bilby expressed the appreciation of the Commission to Dr. Fellows for his attendance at the Commission meetings and the cooperation of his staff.

The next meeting of the Commission will be at 10:00 a.m. on Friday, March 19, 1981.

The meeting adjourned at 11:25 a.m.

APPROVED

Also Present:

Dr. L. G. Fellows, State Geologist



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420

PHOENIX, ARIZONA 85007

PHONE: (602) 255-5161

March 6, 1981

Mr. Ralph W. Bilby, Chairman
Oil and Gas Conservation Commission
P.O. Box 569
Tucson, Arizona 85701

Dear Mr. Bilby:

Following our recent conversation pertaining to the resignation of Don Whittaker and also my anticipated resignation, I have contacted several possible applicants for the position of Executive Secretary.

Mr. A. K. Doss has expressed an interest in this position. His resume is attached. Mr. Doss' resume indicates that he is a geologist with the State Land Department. His present responsibility with the Land Department is the supervision of the department dealing with the issuing of leases for oil, gas, geothermal and minerals.

At this time, I have failed to interest any other possible applicants in this position. This is due to the salary structure as it presently stands.

You will be kept informed of any new developments in this situation.

Very truly yours,

W. E. Allen
Executive Secretary

WEA/vb

cc - Mr. Hal Butler
Dr. J. Dale Nations
Mr. Johnny Gregovich
Mr. L. A. Palmer



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
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ACTIVITY REPORT

March 11, 1981

W. E. Allen
Executive Secretary

A draft of proposed rule changes, together with new rules addressing natural gas pricing determination as required by the Federal Energy Regulatory Commission (FERC), and rules governing underground injection control (UIC), has been completed.

The rules pertaining to gas pricing must be approved by the FERC. Those concerned with underground injection control must have the approval of the Environmental Protection Agency (EPA).

Since I have had some experience with these federal agencies, it seemed a good idea to seek their approval prior to the Commission holding a hearing on the adoption of the rules, thereby risking a rejection of one, or most likely both, federal agencies. We have been promised an early review of our suggested rules. I'm not sure what is meant by "early review", probably six months, if we are lucky. If you wish, this can be discussed further at our Commission meeting.

No legislation has been introduced during this session of the legislature that would affect this Commission in any significant manner.

Personnel of the Water Resources Board, acting under their interpretation of the ground water law that passed in 1980, are attempting to involve themselves in our permitting and plugging procedures. I think that we have about persuaded them that this Commission can fully discharge these functions in a satisfactory manner with no interference from them.

We are working with representatives of the Health Department on a memorandum of agreement which, with the approval of the

Activity Report
Executive Secretary
March 11, 1981
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Governor, will give this Commission primary control over underground injection control of certain classes of wells - these will be the wells that have historically been under the supervision of the oil and gas regulatory agencies.

Phillips Oil Corporation has plugged the Pinal County well. The total depth was 18,013 feet. The rig is being moved from this location to another 20,000 foot test approximately six miles east of Tombstone. The exact location for this test is the SW/SW/4 of Section 14, Township 20 South, Range 23 East, Cochise County.

Kenai Oil and Gas reached a total depth of 5639 feet and ran production casing on their well located in the SW/SE/4 of Section 7, Township 40 North, Range 29 East, Apache County. This location is about five miles from production in the East Boundary Butte Field, Apache County. They are waiting on a completion rig.

Pyramid Oil Company is drilling at 1133 feet on its test located in the NW/NW/4 of Section 33, Township 41 North, Range 9 West, Mohave County.

Copaquen Oil Company has submitted a bond to drill a test well in the NW/NE/4 of Section 10, Township 39 North, Range 5 West, Mohave County. At last report they were awaiting USGS approval.

Jay Shields still says he thinks he can make a well out of the hole he drilled in the NW/SE/4 of Section 24, Township 41 North, Range 1 West, Coconino County. I'm afraid that Mr. Shields is blowing smoke - in whose direction I do not know.

Kerr-McGee Corporation has been issued a permit to drill a development well in the Dineh-bi-Keyah Field. This location is in the NE/NW/4 of Section 31, Township 36 North, Range 30 East, Apache County. Kerr-McGee plans to start drilling about May 1, 1981.

The Ralph Whitmore well located in the NE/NE/4 of Section 12, Township 20 South, Range 17 East, Santa Cruz County, is still temporarily abandoned. Mr. Whitmore told me last week that he expected to resume drilling in a couple of weeks.

Brooks Exploration Company is waiting on a rig for its location in the SE/NE/4 of Section 25, Township 40 North, Range 6 West, Mohave County.

Activity Report
Executive Secretary
March 11, 1981
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I have talked to a number of people regarding recruits for employment with the Commission - the results have been disappointing. In my opinion, in order for this Commission to acquire competent employees the state is going to have to become fairly competitive with private industry. A few states are beginning to realize this and are taking steps to upgrade the salaries of their commission employees.

I'm sure by this time you have received the resume of Mr. A. K. Doss.

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF FEB 1981	2 CLASSIFICATION	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
50 00	1 Permits to Drill		50 00	300 00
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
50 00	TOTAL CURRENT MONTH RECEIPTS		50 00	XXXXXXXX
XXXXXXXX	TRANSFERS IN			
XXXXXXXX	BALANCES BROUGHT FORWARD		250 00	XXXXXXXX
50 00	TOTALS - MONTH AND YEAR TO DATE		300 00	300 00

6 CLAIMS PAID MONTH OF FEB 1981	7 FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
7,843 72	1 Personal Services	86,997 00	71,337 70		15,659 30
1,453 66	2 Emp. Related Exp.	17,156 00	12,888 11		4,267 89
-	3 Professional Services	1,650 00	34 65		1,615 35
820 58	4 Travel - State	6,300 00	4,534 93	819 42	945 65
500 64	5 Travel - Out of State	2,600 00	1,597 38	360 00	642 62
191 63	6 Other Operating Exp.	18,573 81	13,862 16	408 97	4,302 68
	7 Capital Outlay-Equipment	500 00	127 50		342 50
	8				
	9				
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	30				
10,809 63	TOTALS	133,776 81	104,412 43	1,588 39	27,775 99

AGENCY Oil & Gas Conservation Commission

DIVISION _____

IDENTIFICATION CODE NO. _____

1		2	3		4	
CLAIMS PAID YEAR TO DATE		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION		CLAIMS PAID MONTH OF FEB 1981	
20,383	60	71130	1	Salary: Appointed Official	1	2,412 26
660	00	71140	2	Per Diem: Commission Members	2	
50,294	10	71150	3	Salaries: Staff	3	5,431 46
736	29	71510	4	Emp. Related: Workmens Comp	4	83 26
207	46	71520	5	Unemployment Insurance	5	23 52
4,149	02	71530	6	F.I.C.A.	6	521 61
4,947	48	71542	7	Retirement	7	549 07
1,299	32	71551	8	Health Insurance	8	109 04
468	00	71552	9	D&L Insurance	9	48 00
768	19	71570	10	Personnel Comm. Pro Rata Charges	10	86 28
312	35		11	Dental Insurance	11	32 88
		72122	12	Professional Serv: Court Reporter	12	
34	65	72169	13	Cartographic Symbols	13	
		72199	14	Cartographer	14	
555	24	72511	15	Travel-State: Mileage - Private Vehicles	15	
3,439	54	72512	16	Mileage - State Vehicles	16	680 58
529	15	72520	17	Subsistence	17	140 00
		72531	18	Air Fare	18	
6	00	72543	19	Parking	19	
5	00	72549	20	Misc.	20	
386	23	72560	21	Travel-Out of State: Subsistence	21	120 89
1,090	00	72571	22	Air Fare	22	363 00
26	00	72574	23	Taxis	23	
50	00	72581	24	Registration Fees	24	
45	15	72589	25	Other-Telephone, etc.	25	16 75
8,900	00	72711	26	Occupancy: Office Rent	26	
		72821	27	Mtn & Repairs: Furniture	27	
		72823	28	Adders & Calculators	28	
		72824	29	Typewriters	29	
70	00	72826	30	Copy Machine, Other	30	
380	00	72827	31	Reader-Printer	31	
		73111	32	Office Supplies: Printed Stationery & Envelopes	32	
		73113	33	Carbon & Ribbons	33	
		73117	34	Reproduction Supplies	34	
438	35	73119	35	Misc. & Blue Prints	35	
		73514	36	Printing: Large Maps, etc.	36	
246	81	73519	37	Misc.	37	
		73524	38	Legal Advertising	38	
		73531	39	Subscriptions: Newspaper	39	
		73533	40	Technical Journals	40	
245	00	73541	41	Postage Stamps	41	
122	85	73551	42	Telephone Serv: Central System	42	20 31
577	85	73552	43	Equipment Rental	43	82 55
144	80	73553	44	Long Distance	44	50 36
180	53	73554	45	ATS Service Charge	45	27 13
71	12	73559	46	Tax & Directory Assistance	46	10 68
1,500	00	73720	47	Organization Dues	47	
172	50	73730	48	Technical or Reference Books	48	
600	00	73741	49	Insurance	49	
		73770	50	Registration Fees	50	
250	00	79220	51	Revolving Fund	51	
22	35	73555	52	Telephone Serv: Installation Serv. Charge	52	
20	00	73760	53	Seminar	53	
157	50	74338	54	Capital Outlay - Microfiche	54	
			55		55	
104,412	43		TOTAL			10,809 63

OFFICE

(DO NOT WRITE BELOW THIS LINE)

FIELD

RESUME OF PROFESSIONAL EXPERIENCE OF AUBREY K. DOSS

Born in Ballinger, Texas, August 29, 1920. Attended public schools in Abilene, Texas and graduated from high school in 1938 as salutatorian of the graduating class.

- 1938-42 Attended Southern Methodist University in Dallas and the University of Texas in Austin.
- 1942-46 Volunteered for the army as a private and discharged 1946 as First Lieutenant.
- 1946-49 University of Texas. Graduated with a Bachelor of Science degree in Geology with a minor in Physics.
- 1949-52 Independent Consulting Geologist
- 1952-54 Partner in the firm of Tompkins, Spiva & Doss, Consulting Geologist, Abilene, Texas
- 1954-69 Partner in the consulting firm of Spiva & Doss, Abilene, Texas
- 1963-69 President of Palo Pinto Oil & Gas Co., Gasoline plant operation (dissolved)
- 1969-71 President of Sandoil, Inc., Oil & Gas Exploration (dissolved)
- Nov. '71- Present, Geologist, Arizona State Land Department

I. GEOLOGICAL APPLICATION

- A. Subsurface Mapping: I have done extensive subsurface mapping in the area near Abilene, Texas, known as West Central Texas area. I have also done some subsurface mapping in the Black Mesa Basin area of northeast Arizona. The latter was done in connection with the settlement of the Townsend estate and dispersement of the Townsend Oil Corp. assets, whose principal place of business was Phoenix, Arizona. I did this evaluation in cooperation with Mr. Dow Ostlund, executive vice-president of the Valley National Bank in Phoenix. Have conducted areal and regional stratigraphy to determine oil and gas accumulations.

- B. Surface Mapping: I have had some experience both as rodman and instrument man in plane table surface mapping in the West Central Texas area. In 1956 I also checked out some surface structure by use of the Brunton Compass method of taking dips in the Wheatland area of Platte County, Wyoming, and in the St. Johns area of Apache County, Arizona. By use of a scintillator, I mapped out the uranium "hot spots" on the Wilson Estate Ranch 50 miles west of Albuquerque, New Mexico. This was done in 1958. Subsequently, I checked many other areas in New Mexico, Western Colorado, and Southeast Utah.
- C. Geological Engineering Reports: Since 1949, I have done many geological reports for clients and myself for various purposes from geological evaluation of leases for the purpose of establishing the location for drilling a test well, doing reservoir analysis for area banks and clients for the purpose of bank loans on producing properties and for establishing value of producing properties for sales, purchases, and estate settlements.

II. ENGINEERING

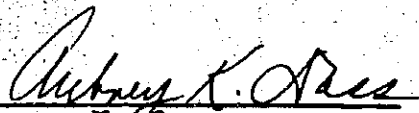
- A. Well Drilling: I have supervised the drilling of an estimated 400-500 oil wells in the West Central Texas area in the last 20 years. Most of these have been on a consulting basis. Specifically, this supervision encompassed:
1. Microscopic sample analysis of the bore hole cuttings (sample logging),
 2. Supervision and recommendation of a proper drilling mud program,
 3. Supervision of all drill stem testing,
 4. Supervision of running and interpretation of all types of electrical well logging on reaching total depth. I have also supervised the drilling of some wells in Arizona and Wyoming.
- B. Well Completion: I have had extensive experience in the completion of wells for both oil and gas in this area. This includes the whole process from setting and cementing casing to perforating of casing, installing all down-hole equipment, purchasing and erection of all surface equipment and all future remedial work necessary to keep oil "going into the tanks."
- C. Core Drilling: Have conducted numerous core drilling operations over the years to seek out shallow anomalous conditions preparatory to future development; including correlation, microscopic field analysis of cores, and subsequent sub-surface mapping.

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D. Gasoline Plants: In 1963 I organized and became president of Palo Pinto Oil & Gas Co., a Texas Corporation. In this capacity, I supervised the construction, daily operation and marketing of production of an ammonia refrigeration type gasoline plant. The filing of State and Federal government forms on this operation was a monumental job in itself. We produced propane and a 31% Hydrocarbon Mix and sold the dry residue gas.

I am a certified Charter Member of the American Institute of Professional Geologists No. 669, a registered geologist in Arizona by the Board of Technical Registration No. 8357, and a member of the American Association of Petroleum Geologists (presently inactive).

Respectfully submitted,


Aubrey K. Doss