

OIL & GAS CONSERVATION COMMISSION
Meeting: November 20, 1981
Mr. A. K. Doss, Executive Dir.



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
November 20, 1981
1645 West Jefferson, Room 420
Phoenix, Arizona

10:00 a.m.

Call to Order

- C A N K*
1. Approval of Minutes of Meeting of September 25, 1981
 2. Report of Executive Secretary
 3. Report of Director of Enforcement Section
 4. Old Business
 5. New Business
 6. 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
September 25, 1981

Present:

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

Absent:

Mr. Johnny Gregovich, Member

The regular Commission meeting of September 25, 1981 was called to order by Chairman Bilby at 10:40 a.m., immediately following hearing on Case No. 55.

The Executive Secretary introduced Mr. Rudy Ybarra, currently Supervising Oil and Gas Engineer with the California Division of Oil and Gas, who was an applicant for the vacant position of Director of the Enforcement Section.

Minutes of the meeting of May 15, 1981 were approved as written.

Report of the Executive Secretary was accepted.

After discussion, it was moved and passed that the Commission budget request for the fiscal year 1982-83 be approved as written.

It was moved and passed that the title of the Executive Secretary be changed to Executive Director and the State Personnel Division be so advised.

After discussion, it was moved and passed that the Executive Director advise the Director of the State Personnel Commission that the Commission has reviewed salary grades and job requirements of the Commission personnel and recommends reclassifying the position of the Executive Director from Grade 21, Step 8 to Grade 24, Step 5, and the position of Administrative Assistant I, Grade 13, Step 7 to Administrative Assistant II, Grade 15, Step 5.

As there was no further business, the meeting adjourned at 11:25 a.m. to go into Executive Session.

Executive Session

The Executive Director was authorized to use his judgement in

Minutes of Meeting
September 25, 1981
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selecting a replacement for the position of Director of the Enforcement Section from the certification list provided by the State Personnel Division.

The Executive Session adjourned at 11:45 a.m.

The next meeting of the Commission will be at 10:00 a.m. on November 20, 1981.

APPROVED November 20, 1981

Also Present:
Dr. Larry Fellows
State Geologist



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Oil and Gas Conservation Commission

STATE OF ARIZONA

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ACTIVITY REPORT

November 12, 1981

A. K. Doss
Executive Director

There has been much discussion with budget people across the way in relation to the present 1981-82 budget and the upcoming budget for 1982-83.

Apparently we will do okay in the 1981-82 budget we are currently in. At first, no credits were to be allowed for vacancy savings, but that has now changed, which is a big benefit for us in the current 1981-82 budget. The Enforcement Director's position wasn't filled for 4 months of this fiscal year, which amounts to \$10,000 in vacancy savings. Our total budget for 1981-82 is \$154,000, 5% of which is \$7,700. So we are well ahead on this issue.

For the budget request for 1982-83, we may be in some trouble; however, the situation could change considerably in the next few months, so I recommend we leave our budget request intact as submitted at \$195,000.00 and continue our efforts to re-fill the geologist position. I have a feeling we are going to need this position to supplement additional field exam workload, as well as fulfilling the other requirements of the Geology Section.

To date we have received no word from the Personnel Department on our request to upgrade the position of Executive Director and the Administrative Assistant position to the grades requested. Ann's position was upgraded to Administrative Assistant I and it is being reviewed to upgrade to Administrative Assistant II.

The Attorney General's office has apparently created a new Natural Resources Division, headed by Assistant Attorney General Russ Kolsrud. He has appointed a new attorney in this Division, Tim Pierson, to review our new rules and regulations.

Activity Report
Executive Director
November 12, 1981
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Until recently, Pierson was with the firm of Burch & Cracchiolo and represented a number of clients in litigation against the Land Department involving oil and gas leasing issues.

As you probably all know by now, Hal Butler has resigned from the Commission due to an excess load created by his appointment to the Transportation Board. I'm sure we all wish him well in this new and important capacity.

Parking is still a problem due to the construction of the Wesley Bolin Memorial to the north of the building. Parking for our building may not improve, even after completion, for I understand most of the parking space is being reserved for the Legislature.

Rudy Ybarra accepted our position of Enforcement Director and we are expecting great things from him. We are fortunate to be able to draw on his extensive background and experience in the oil industry.



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ACTIVITY REPORT

November 12, 1981

Rudy A. Ybarra
Director, Enforcement Section

During October two wells were officially abandoned: 1) Gemini Oil, Gas and Mineral 1 Heisler, located in sec. 27, T. 1 N., R. 7 W., Maricopa County (Tonopah area), was plugged at the surface with 25 lineal feet of cement; T.D. 2040' and 2) Salt River Basin "Fletcher" 1 Federal, located in sec. 34, T. 5 N., R. 3 W., Maricopa County, was plugged with cement from 2215-2020' and 50' to the surface.

Jay M. Shields started drilling on November 4 the first of four wells targeted for 500 to 800'. Prior to this date he had reentered Travis Oil 1-24 Federal and cleaned it out to bottom (T.D. 900'). All the wells are located in sec. 24, T. 41 N., R. 1 W., Coconino County, southeast of the town of Fredonia. The operator, without notifying the USGS or the Commission, was preparing to drill ahead under a program not approved by either agency. We insisted that he follow the program as originally approved and he agreed. To date, the first well, 5-24, has been drilled to a depth of 478'. Well 2-4 was spudded on November 11 and the 7" surface casing was being cemented on November 12. Drilling contractor is Jim Williams Drilling Co., Prescott.

Phillips Petroleum, Geothermal Division, has drilled nearly half of the 30 shallow (300') temperature gradient wells in the Yuma/Maricopa area near Agua Caliente. Mr. Gary Chadburn, geologist with Phillips, reported that drilling with foam was a failure because they would lose the foam to the formation after drilling through the lava. They are now drilling with drilling mud to circulate the cuttings to the surface. A visit with Mr. Chadburn is planned for November 23.

Bureau of Geology and Mineral Technology received permits to drill eight 200-foot temperature gradient wells in Graham County, 15 miles south of Safford.

Planned Activity

Commodore Resources Corp. to drill 8000' well in Mohave County. Target to be Permian through Devonian.

Chicksaw Oil Co. to drill 5000' well 25 miles southwest of Kingman. Mathews with Chicksaw called saying he was preparing to send in cash bond in lieu

Activity Report
Rudy A. Ybarra
November 12, 1981
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of indemnity bond.

Allied Energy Corp. to drill 4000' well in vicinity of the Astro-Tex well in the Salt River Canyon area, T. 5 N., R. 17 E., Gila County.

Mr. Sponseller with AG&H Enterprises, Inc., to drill well near Lakeside just south of Show Low. Jim Sponseller, his son, came to the office on November 9 and picked up all the necessary application forms.

Sanchez-O'Brien called from Laredo, Texas, regarding \$25,000 statewide bond. According to the company's local representative, the company is planning to drill 3 wells starting in early 1982.

The 1981-82 budget estimated 35 applications for drilling permits. To date the Commission has received 54 applications and the prognosis based on conversations with various individuals and companies is that 1982 will be one of the greatest, if not the greatest, year of drilling activity Arizona has ever experienced.

MONTHLY FINANCIAL REPORT

RECEIPTS MONTH OF <i>Oct 1981</i>	CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
<i>75 00</i>	1 Permits to Drill		<i>75 00</i>	<i>1,150 00</i>
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
<i>75 00</i>	TOTAL CURRENT MONTH RECEIPTS		<i>75 00</i>	XXXXXXXX
	TRANSFERS IN			
XXXXXXXX	BALANCES BROUGHT FORWARD		<i>1,075 00</i>	XXXXXXXX
<i>75 00</i>	TOTALS - MONTH AND YEAR TO DATE		<i>1,150 00</i>	<i>1,150 00</i>

CLAIMS PAID MONTH OF <i>Oct 1981</i>	FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
<i>5,199 82</i>	1 Personal Services	<i>49,200 60</i>	<i>19,743 61</i>		<i>29,456 39</i>
<i>997 90</i>	2 Emp. Related Exp.	<i>10,000 00</i>	<i>3,668 85</i>		<i>6,331 15</i>
	3 Professional Services		<i>-0-</i>		
<i>516 35</i>	4 Travel - State	<i>6,000 00</i>	<i>1,738 90</i>	<i>2,100 00</i>	<i>2,161 10</i>
	5 Travel - Out of State	<i>1,100 00</i>	<i>278 25</i>		<i>821 75</i>
<i>718 84</i>	6 Other Operating Exp.	<i>16,234 30</i>	<i>13,519 22</i>	<i>911 56</i>	<i>1,803 52</i>
	7 Capital Outlay-Equipment				
	8				
	9				
	10				
	11				
	12				
	13				
	14				
	15				
	16				
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	27				
	28				
	29				
	30				
<i>7,432 91</i>	TOTALS	<i>82,534 30</i>	<i>38,948 83</i>	<i>3,011 56</i>	<i>40,573 91</i>

AGENCY Oil & Gas Conservation Commission

DIVISION _____

IDENTIFICATION CODE NO. _____

CLAIMS PAID YEAR TO DATE		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES			CLAIMS PAID MONTH OF <u>Oct 1981</u>	
			CLASSIFICATION				
10,160	36	71130	1 Salary: Appointed Official	1		2,605	22
150	00	71140	2 Per Diem: Commission Members	2		150	00
9,433	25	71150	3 Salaries: Staff	3		2,444	60
118	56	71510	4 Emp. Related: Workmens Comp	4		31	09
47	20	71520	5 Unemployment Insurance	5		12	23
1,290	17	71530	6 F.I.C.A.	6		33	67
1,209	08	71542	7 Retirement	7		353	49
478	46	71551	8 Health Insurance	8		138	32
216	00	71552	9 D&L Insurance	9		48	00
236	93	71570	10 Personnel Comm. Pro Rata Charges	10		62	40
72	45		11 Dental Insurance	11		20	70
		72122	12 Professional Serv: Court Reporter	12			
		72169	13 Cartographic Symbols	13			
		72199	14 Cartographer	14			
205	20	72511	15 Travel-State: Mileage - Private Vehicles	15		6	40
1,217	95	72512	16 Mileage - State Vehicles	16		389	20
258	25	72520	17 Subsistence	17		63	25
54	00	72531	18 Air Fare	18		54	00
3	50	72543	19 Parking	19		3	50
		72549	20 Misc.	20			
97	25	72560	21 Travel-Out of State: Subsistence	21			
174	00	72571	22 Air Fare	22			
		72574	23 Taxis	23			
		72581	24 Registration Fees	24			
7	00	72589	25 Other-Telephone, etc.	25			
8,809	00	72711	26 Occupancy: Office Rent	26			
		72821	27 Mtn & Repairs: Furniture	27			
18	00	72823	28 Adders & Calculators	28			
70	00	72824	29 Typewriters	29			
330	00	72826	30 Copy Machine, Other	30			
		72827	31 Reader-Printer	31			
		73111	32 Office Supplies: Printed Stationery & Envelopes	32			
		73113	33 Carbon & Ribbons	33			
		73117	34 Reproduction Supplies	34			
295	96	73119	35 Misc. & Blue Prints	35		12	98
		73514	36 Printing: Large Maps, etc.	36			
107	10	73519	37 Misc.	37		107	10
367	09	73524	38 Legal Advertising	38		367	09
		73531	39 Subscriptions: Newspaper	39			
27	00	73533	40 Technical Journals	40			
191	00	73541	41 Postage Stamps	41			
63	00	73551	42 Telephone Serv: Central System	42		21	00
363	18	73552	43 Equipment Rental	43		121	06
115	46	73553	44 Long Distance	44		43	48
97	90	73554	45 ATS Service Charge	45		33	50
38	90	73559	46 Tax & Directory Assistance	46		12	63
2,000	00	73720	47 Organization Dues	47			
		73730	48 Technical or Reference Books	48			
375	63	73741	49 Insurance	49			
		73770	50 Registration Fees	50			
250	00	79220	51 Revolving Fund	51			
			52				
			53				
			54				
			55				
38,948	83		TOTAL			7,432	91

OFFICE

(DO NOT WRITE BELOW THIS LINE)

FIELD