

OIL & GAS CONSERVATION COMMISSION
Meeting: November 19, 1982
Mr. A. K. Doss, Exec. Director



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 19, 1982
1645 West Jefferson, Room 420
Phoenix, Arizona

10:00 a.m.

Call to order

1. Approval of Minutes of Executive Session and Meeting of July 16, 1982
2. Report of Executive Director
3. Report of Enforcement Section
4. Old Business
5. New Business
6. Adjourn
7. *Hearing*

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

- ✓ 1. Find out how the Chairman is ^{elected} elected.
- ✓ 2. Contact Geo. Britton re: a replacement quickly
- ✓ 3. Compose letters of appreciation from Commissioners
- ✓ 4. Ask Geo. B. for a letter from the Gov.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420

PHOENIX, ARIZONA 85007

PHONE: (602) 255-5161

TO THE HONORABLE SECRETARY OF STATE
AND THE CITIZENS OF THE STATE OF ARIZONA

Pursuant to A.R.S. § 38-431.02, notice is hereby given that a regular meeting of the Oil and Gas Conservation Commission will be held at 10:00 a.m. on November 19, 1982 at the Commission offices at 1645 West Jefferson Street, Suite 420, Phoenix, Arizona.

Notice is hereby also given pursuant to A.R.S. § 38-431.02.B. that in the course of the regular meeting, the Commission may go into Executive Session for advice from legal counsel pursuant to A.R.S. § 38-431.03.A.3.

Dated this 5th day of November 1982.

OIL AND GAS CONSERVATION COMMISSION

By

A. K. Doss
Executive Director



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420

PHOENIX, ARIZONA 85007

PHONE: (602) 255-5161

ACTIVITY REPORT

November 4, 1982

A. K. Doss *AKD*
Executive Director

Hal Susie, Manager of Minerals, with the State Land Department says the Phillips-Anschutz group has started dropping and renewing state oil and gas leases. Their leases are in three big groups for November, December and January. The November group comprised approximately two million acres and they renewed approximately 250,000 acres. The renewed acreage lies primarily in the Tombstone area (Cochise Co.), Wittmann area (western Maricopa) and the western part of the strip county in Mohave Co. We will just have to wait and see what happens to the December and January groups.

Bill Brooks of Brooks Exploration Co. indicated by phone that he may employ a shallow drilling rig and chase the potential shallow oil discovery he encountered at 500'+ in his deep test between Fredonia and Short Creek in the strip country.

Cecil Gustin informs that he has run tubing and rods in his possible discovery north of Chambers. He is looking for a pump-in unit at present.

Ed Kaufman, president, of Pan American Energy expects to start drilling their first shallow hole (3100') before the end of the year. He says the program is developing nicely. Their feasibility study came out with very positive results with a plant site to be located at Nutrioso. The purpose of the 3100' hole will be to core unweathered granite. The second hole (10,000') will be drilled to test deep temperatures.

Tim Pierson, our former AG, has left to go back into private practice. He did get our new rules and regulations certified before leaving. Hopefully, our new AG will be able to attend the November meeting to meet the commissioners. The Secretary of State's office informs that our rules have been sent to the printer. Revising and amending the rules has been a monumental task and it's quite a relief to have them finally completed.

Activity Report
Executive Director
November 4, 1982
Page 2

Arrangements have been made for Petroleum Information (PI), Denver, to reproduce some 600 logs filed with the State Land Department that were run in mineral exploration holes throughout the state. We will receive complimentary copies. This will almost double the number of electrical logs in Arizona that will be available to the industry. I suspect that very few people even knew of their existence and it should be a big boom to explorationists interested in Arizona.

Dick Wolgast (Phillips Petroleum, Denver) informs that his company plans on retaining 275,000 - 300,000 acres that they feel have the greatest possibilities for production. He also divulged that they will probably drill another deep test next year, since they still are obligated for an additional 5 million on the Anschutz contract. It makes more sense to spend that money on drilling (which can be charged off) rather than on rentals which must be capitalized until the leases expire. Wolgast also said they will continue to make farmouts. They have made three already; one to Lee Gibson, one to Harold Witcher and one to Bob Walker. So it looks like we may see some more action from Phillips next year.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

1645 WEST JEFFERSON, SUITE 420

PHOENIX, ARIZONA 85007

PHONE: (602) 255-5161

ACTIVITY REPORT

November 3, 1982

R. A. Ybarra
Enforcement Director

During this report period three wells were abandoned as dry holes: Phillips Petroleum Kirkland Al State in Yavapai County, Brooks Exploration 1 Federal in Mohave County, and Gary Drilling Buckskin Mtn. 1-13 Federal in Coconino County.

The Phillips well was drilled to a total depth of 6500', short of the originally proposed depth of 9000'. After coring Precambrian granite at total depth, the well was plugged with cement 1160-970'± and 35-5'. Abandonment of this well terminates the 6-well drilling program that started in February.

The Brooks well, sec 26-40N-6W, was spudded on August 13 and, after cementing 8 5/8" casing at 400', drilled to a total depth of 7070'. Four intervals were drill-stem tested before the hole was plugged back to 4341'. On October 15 5½", 15.5 lb. casing was cemented at 722' with 180 sacks of cement. The 5½" casing was perforated 573-586' and 594-602', mud-acid washed, and swabbed. The lower interval yielded more oil than the upper interval, and then yielded mainly water. The operator decided to plug and abandon the well. The plugged interval was from 696' to surface.

Gary Drilling started drilling on September 22 and drilled to 700' before losing circulation and sticking the drill pipe at 479'. Unable to pull the drill pipe, the operator shot and recovered it from 360'. The hole was plugged with cement 360-285'± and 50' to surface. This well is located in sec 13-41N-2E.

Tri Oil finished testing all the perforated intervals without success. The well is temporarily abandoned until the owners decide what course of action to follow: redrill, deepen, or drill another new well.

Kerr-McGee has yet to start drilling on those proposed locations approved in June.

Cecil Gustin drilled to 1425' before the drill pipe twisted off at 720'. A larger rig was brought in to recover the fish. The hole was logged and on September 26 4½", 9.5 lb. casing was cemented at 1421' with sufficient cement to fill to the surface. The casing was perforated 1374-1384', 1360-1352', 1348-1344', 1340-1366', 1328-1326', and 1321-1318'. A.K. and I witnessed the perforating and testing of the lowermost interval. No oil or gas was recovered.

Activity Report
R. A. Ybarra
November 3, 1982
Page 2

Golden Sun Investments, Ltd., was given approval to drill well 1-28 Federal in sec 28-1N-4E in Yavapai County. The well was spudded on September 25 and reached a total depth of 1490' on October 6. The well was logged and 4½" casing was cemented at 1445'. Perforations at 1335-1345' were tested, recovering only frothy black mud with slight traces of oil. The formation is very tight. The well is presently shut down pending a decision by the partners as to what course of action to take.

The only well drilling on this date is Bedrock Oil Co. well 1 State in sec 4-21S-23E in Cochise County. The well was spudded on September 23 on farmout acreage from Phillips Petroleum. The total depth, as of October 29, was 840'. The target depth is 3750'.

We have received from Resources Operating Inc. an application for permit to drill a well in sec 29-11N-22E in Navajo County, four miles north of Show Low. The drilling bond is forthcoming and they expect to start drilling in mid-November. The proposed total depth is 4000'.

Mountain States Resources, Inc., has filed an application for permit to drill well 16 Navajo-0 in the Teec Nos Pos Field. Again the operator has failed to ask for a hearing before the Commission for 40-acre spacing in this field. We will approve this location, with some modification, but with the understanding that the operator must file for this hearing within 30 days from November 2, 1982. This will give us ample time to schedule the hearing for our January 1983 meeting.

The last of the Phillips Alpine Prospect geothermal wells was drilled on October 8. The wells are to be monitored for temperature in mid-November.

OIL AND GAS CONSERVATION COMMISSION
Paint Pony Motel
Show Low, Arizona 85901

Minutes of Meeting
July 16, 1982

Present:

Mr. Ralph W. Bilby, Chairman
Mr. Watson M. Tomerlin, Member
Dr. J. Dale Nations, Member
Mr. Forrest R. Rickard, Member

The regular Commission meeting of July 16, 1982 was called to order by Chairman Bilby at 10:00 a. m. at the Paint Pony Motel in Show Low, Arizona.

Minutes of the Executive Session and general discussion meeting of May 21, 1982 were approved as written.

A. K. Doss, Executive Director, reviewed his Activity Report. (Attached).

Progress on the oil well at Wittman was discussed. The royalty revenues would go to the public school fund. A lot of lease money is involved. This is the second well that has been drilled. The first one was the Salt River Basin Joint Venture well and was a dry hole. This second well is being drilled by Tri Oil Company #1 State. Oil and gas shows were found from about 1600' to the total depth at 4520'. After viewing these shows, A. K. Doss would call these legitimate shows of oil. Setting pipe was advised after two outside consultants had reviewed samples and the E logs. Now ready to start perforating the zones that show the greatest promise. Plan to start down-hole by July 20.

With the possibility of President Reagan's eliminating the tax incentives, Ted Decker's development for geothermal resources may be curtailed in Tucson. Our Legislature was in favor of this drilling.

A. K. Doss also talked with Ed Kaufman about geothermal drilling in the Springerville area. Our Department of Revenue is to advise him of the tax structure in this regard.

Mountain States Resources is to drill four more wells in the Tec Nos Pos field. They want to drill on 40-acre spacing. Mr. and Mrs. Montalban are the owners. A hearing before the Commission is necessary to have this type of spacing. Our Commission made

Minutes of Meeting
July 16, 1982
Page 2

an exception for 40-acre spacing in 1976 and the USGS also approved it for 40-acre spacing. We have already violated our State rule twice in this respect. It has to be on an 80-acre unit. September meeting is the soonest a hearing could be given for the 40-acre spacing.

Thirty drilling permits have been issued in 1982. This includes 25 for oil and gas; one for geothermal and four for geothermal gradient holes.

Kerr-McGee is in the process of building locations for seven more development wells in the Dineh bi Keyah.

Our office space has been rearranged. Though we have lost considerable room, there is still an area for the Commission meetings.

Mr. Bilby inquired about the wells for Tombstone and Safford. Rudy Ybarra advised that locations have been abandoned for Douglas, Huachuca City, Redondo and Safford.

Regarding Tri Oil, an evaluation is necessary which may take six months to a year. Two new wells that have been spudded are Mountain View and the Kirkland well. Rudy Ybarra, Enforcement Director, reviewed his Activity Report. (Attached).

Phillips is planning to drill some holes in the dry hot rock geothermal area located near Nutrioso and Alpine.

Certificates of Appointment to the Commission were received from the Governor's Office for Watson M. Tomerlin and Forrest R. Rickard.

A report was given by Dr. Larry Fellows on the Bureau of Geology's geothermal project which has been funded from DOE for five years, and which will end on August 31 since the funding will cease.

Since there was no further business, the meeting adjourned at 11:00 a. m.

APPROVED

AGENCY OIL & GAS CONSERVATION COMMISSION

DIVISION _____

IDENTIFICATION () NO. _____

1		2		3			4	
CLAIMS PAID YEAR TO DATE		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION			CLAIMS PAID MONTH OF OCT. 1982		
19,079	22	6011	1	Salaries: Staff	1	4,955	64	
10,481	47	6057	2	Appointed Official	2	2,722	46	
210	00	6058	3	Per Diem: Commission Members	3			
1,980	55	6111	4	Emp. Related: E.L.C.A.	4	514	42	
929	11	6113	5	Health Insurance	5	265	46	
180	00	6115	6	D&L Insurance	6	24	00	
147	84	6117	7	Unemployment Insurance	7	38	40	
120	52	6119	8	Workmen's Comp	8	31	22	
2,069	29	6155	9	Retirement	9	537	48	
357	18	6183	10	Personnel Com. Pro Rata Chg.	10	92	12	
137	90	6118	11	Dental Insurance	11	39	40	
		6293	12	Prof. Serv.: Court Reporter	12			
		6499	13	Cartographic Sumbols	13			
		6499	14	Cartographer	14			
		6511	15	Travel-State: Air Fare	15			
		6531	16	Taxi	16			
675	05	6541	17	Mileage-Private Vehicles	17	13	25	
1,293	22	6551	18	Mileage-State Vehicles	18	581	60	
		6569	19	Parking	19			
		6569	20	Telephone	20			
6310	35	6581	21	Subsistence	21	270	00	
		6599	22	Registration Fees; Other	22			
		6611	23	Travel-Out of State: Air Fare	23			
		6631	24	Taxi	24			
		6639	25	Rail Fare	25			
		6641	26	Personal Auto	26			
		6669	27	Parking	27			
		6669	28	Telephone; Other	28			
		6681	29	Subsistence	29			
		6699	30	Registration Fee	30			
		7019	31	Legal Advertising	31			
		7036	32	Postage Stamps	32			
102	85	7044	33	Telephone Service: ATS Service (WATS)	33	34	10	
58	50	7045	34	Central System	34	19	50	
136	65	7046	35	Toll Service	35	34	84	
99	40	7047	36	Taxes, Dir. Assistance	36	12	39	
		7047	37	Miscellaneous	37			
517	44	7066	38	Insurance (Risk Management)	38			
		7103	39	Occupancy: Office Rent	39			
363	15	7188	40	Telephone Equip.: Lease/Rent	40	118	96	
		7311	41	Printing	41			
		7532	42	Furniture	42			
		7532	43	Adder/Calculator	43			
		7532	44	Reader/Printer	44			
70	00	7553	45	Typewriter	45			
390	00	7553	46	Copy Machine	46			
		7607	47	Library Supplies	47			
		7621	48	Stationery/Envelopes	48			
		7623	49	Printed Forms	49			
		7624	50	Reproduction Supplies	50			
186	18	7625	51	Blue Prints/Office Supplies	51			
		7628	52	Printing Maps	52			
		7628	53	Printing Miscellaneous	53			
250	00	7962	54	Revolving Fund	54			
		7967	55	Books	55			

Continued on Page 2

OFFICE

DO NOT WRITE BELOW THIS LINE

FIELD
AUDIT

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 19		
100	00	7971	1	Organization Dues	1			
		7975	2	Registration Fees	2			
		7997	3	Subscription; Newspaper	3			
		7997	4	Technical Journal	4			
			5		5			
			6		6			
			7		7			
			8		8			
			9		9			
			10		10			
			11		11			
			12		12			
			13		13			
			14		14			
			15		15			
			16		16			
			17		17			
			18		18			
			19		19			
			20		20			
			21		21			
			22		22			
			23		23			
			24		24			
			25		25			
			26		26			
			27		27			
			28		28			
			29		29			
			30		30			
			31		31			
			32		32			
			33		33			
			34		34			
			35		35			
			36		36			
			37		37			
			38		38			
			39		39			
			40		40			
			41		41			
			42		42			
			43		43			
			44		44			
			45		45			
			46		46			
			47		47			
			48		48			
			49		49			
			50		50			
			51		51			
			52		52			
			53		53			
			54		54			
41,245	87		TOTAL				10,305	24

OFFICE

(DO NOT WRITE BELOW THIS LINE)

FIELD

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF <i>OCT. 1982</i>		2 RECEIPTS CLASSIFICATION		3 APPROPRIATED RECEIPTS		4 UNAPPROPRIATED RECEIPTS		5 TOTAL ALL RECEIPTS YEAR TO DATE	
<i>25</i>	<i>00</i>	1	Permits to Drill			<i>25</i>	<i>00</i>	<i>3,527</i>	<i>00</i>
		2							
		3							
		4							
		5							
		6							
		7							
		8							
		9							
		10							
		11							
		12							
		13							
		14							
		15							
		16							
		17							
<i>25</i>	<i>00</i>	TOTAL CURRENT MONTH RECEIPTS				<i>25</i>	<i>00</i>	XXXXXXXXXX	
		TRANSFERS IN							
XXXXXXXXXX		BALANCES BROUGHT FORWARD				<i>3502</i>	<i>00</i>	XXXXXXXXXX	
		TOTALS - MONTH AND YEAR TO DATE				<i>3527</i>	<i>00</i>		

6 CLAIMS PAID MONTH OF <i>OCT. 1982</i>		7 EXPENDITURES FUND TITLES		8 TOTAL AMOUNT AVAILABLE YEAR TO DATE		9 CLAIMS PAID YEAR TO DATE		10 OUTSTANDING ENCUMBRANCES		11 UNENCUMBERED BALANCE	
<i>7,678</i>	<i>10</i>	1	Personal Services	<i>102,100</i>	<i>00</i>	<i>29,770</i>	<i>69</i>			<i>73,329</i>	<i>31</i>
<i>1,542</i>	<i>50</i>	2	Emp. Related Exp.	<i>20,700</i>	<i>00</i>	<i>5,922</i>	<i>39</i>			<i>14,777</i>	<i>61</i>
		3	Professional Services	<i>1,700</i>	<i>00</i>					<i>1,700</i>	<i>00</i>
<i>864</i>	<i>85</i>	4	Travel - State	<i>8,900</i>	<i>00</i>	<i>3,278</i>	<i>62</i>			<i>5,621</i>	<i>38</i>
		5	Travel - Out of State								
<i>219</i>	<i>79</i>	6	Other Operating Exp.	<i>8,800</i>	<i>00</i>	<i>2,292</i>	<i>17</i>			<i>6,507</i>	<i>83</i>
		7	Capital Outlay-Equipment								
		8									
		9									
		10									
		11									
		12									
		13									
		14									
		15									
		16									
		17									
		18									
		19									
		20									
		21									
		22									
		23									
		24									
		25									
		26									
		27									
		28									
		29									
		30									
<i>10,305</i>	<i>24</i>	TOTALS		<i>143,200</i>	<i>00</i>	<i>41,263</i>	<i>87</i>			<i>101,936</i>	<i>13</i>

OIL AND GAS CONSERVATION COMMISSION
1624 West Adams - Suite 202
Phoenix, Arizona 85007

Minutes of Meeting
April 16, 1969

Present:

Mr. Lucien B. Owens, Chairman
Mr. George T. Siler, Vice Chairman
Mr. Ralph W. Bilby, Member
Mr. Kenneth G. Bentson, Member
Mr. Frank E. Moore, Member
Mr. John Bannister, Executive Secretary
Mr. James R. Scurlock, Geologist
Mr. James A. Lambert, Administrative
Assistant
Dr. Willard Pye, University of Arizona
Mr. Fritz Ryan, State Land Department

Chairman Lucien B. Owens called the meeting to order at 9:30 a.m.

It was moved, seconded and passed that the minutes of the meeting of March 19, 1969, be approved.

Reports of the Executive Secretary and Geologist were accepted.

Discussion of the 1969-70 budget was postponed until the next meeting as final legislative approval has not been received.

Letters from the Mayor of the City of Douglas and the President of the Douglas Chamber of Commerce inviting the Commission to hold the May meeting in Douglas were read. The Executive Secretary was instructed to accept the invitations and the meeting was scheduled for Wednesday, May 21, 1969, at 10:00 a.m., at the City Council Chambers in Douglas, Arizona.

Dr. Willard Pye of the University of Arizona presented the Commission a bound copy of graduate student Richard Dunlap's thesis on the geology of the Pinta Dome area. This was given in appreciation for the assistance and use of logs, etc., in the preparation thereof.

Mr. Fritz Ryan extended greetings and congratulations from the State Land Department to Mr. Moore as a new Commissioner.

It was moved, seconded and passed that Mr. Ralph Bilby be elected Chairman of the Commission.

It was further moved, seconded and passed that Mr. Kenneth Bentson be elected Vice Chairman of the Commission.

OIL AND GAS CONSERVATION COMMISSION
1624 West Adams - Suite 202
Phoenix, Arizona

Minutes of Meeting
November 15, 1967

Present:

Mr. Lynn Lockhart, Chairman
Mr. Lucien B. Owens, Vice Chairman
Mr. George T. Siler, Member
Mr. Kenneth G. Bentson, Member
Mr. Ralph W. Bilby, Member
Mr. John Lannister, Executive Secretary
Mr. J.R. Scurlock, Geologist
Dr. Willard Pye, University of Arizona
Mr. R.E. Dunlap
Mr. Ewell N. Walsh

The meeting was called to order at 9:30 a.m. by Vice-chairman Lucien B. Owens. Chairman Lockhart moved, Mr. Bentson seconded, that the minutes of the meeting of October 18, 1967 be approved as submitted. Motion passed unanimously.

Chairman Lockhart stated that he had been Chairman of the Commission for about three years, but because he had been handicapped by surgery he asked the Commission to accept his resignation as Chairman and nominated Mr. Lucien Owens for Chairman, and asked that he be nominated by acclamation; and he also nominated Mr. George Siler for Vice Chairman.

Mr. Bilby moved that we accept Mr. Lockhart's resignation as Chairman, but with a vote of thanks for those things he had done under adverse circumstances. Mr. Bentson seconded. Mr. Owens added that he knew Mr. Lockhart had acted when he shouldn't have for his own good. The motion passed unanimously.

Mr. Siler asked that the record show that Mr. Lockhart was still "the Daddy of the Commission".

Mr. Bentson opined that he did not particularly subscribe to the philosophy that the chairmanship was an honorary position but that the man most capable should take the position and he re-nominated Mr. Owens for Chairman because of his experience and the way he demonstrated as substitute during the last few sessions. Mr. Siler seconded. Mr. Bilby moved that it be made unanimous. Mr. Bentson seconded that motion. Motion passed unanimously.

Mr. Bentson then seconded Mr. Lockhart's nomination of Mr. Siler for Vice Chairman. The motion passed unanimously.

Mr. Lockhart thanked all the Commission for their help to him and for their taking time from their businesses to attend to Commission functions.