

OIL & GAS CONSERVATION COMMISSION  
Meeting: September 19, 1986  
Daniel J. Brennan, Executive Director



**Oil and Gas Conservation Commission**

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

**A G E N D A**

**Meeting**

September 19, 1986

3110 N. 19th Ave., Suite 190

Phoenix, Arizona

10:00 A.M.

**Call to order**

1. Approval of Minutes of Meeting of July 18, 1986
2. Report of Executive Director Daniel J. Brennan
3. Report of Enforcement Section R. A. Ybarra
4. Discussion of possible Rule changes
5. Call to the Public
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  
July 18, 1986

Present:

Dr. J. Dale Nations, Chairman  
Mr. Forrest R. Rickard, Vice-Chairman  
Mrs. Mary Ann Niccoli, Member  
Mr. James E. Warne, Jr., Member  
Mrs. Jan C. Wilt, Member  
Dr. Daniel J. Brennan, Executive Director  
Mr. Rudy A. Ybarra, Enforcement Director

The regular Commission Meeting of July 18, 1986 was called to order by Dr. J. Dale Nations, Chairman, at 10:00 A.M. in the City Council Chamber, 211 West Aspen, Flagstaff, Arizona.

APPROVAL OF MINUTES FOR REGULAR MEETING OF MAY 16, 1986

A motion was made by Mr. Rickard and seconded by Mrs. Niccoli:

THAT THE MINUTES OF THE REGULAR MEETING OF  
MAY 16, 1986 BE APPROVED AS PRESENTED.

Motion carried unanimously.

REPORT OF EXECUTIVE DIRECTOR

Dr. Daniel Brennan, the Executive Director, reviewed his Activity Report previously sent to the Commissioners and made a part of these minutes.

REPORT OF ENFORCEMENT DIRECTOR

Mr. Rudy Ybarra, the Enforcement Director, reviewed his Activity Report previously sent to the Commissioners and made a part of these minutes. Mr. Warne inquired if status reports were provided by the lessors on an annual basis to which Mr. Ybarra replied in the negative. Mr. Ybarra stated that sundry reports are received from the BLM, and that monthly production reports provided the needed information regarding the wells' performance. He also updated all the field studies.

Dr. Nations inquired of Dr. Brennan with the acquiring of a computer system if the well data information would be put into it. Dr. Brennan replied that was his plan.

CONSIDERATION OF AN ORDER FOR PLUGGING OF THE POWERS' RANCH GEOTHERMAL WELLS

Following a discussion of the extension of the temporary abandonment of the two Powers' Ranch wells which expires the end of July, a motion was made by Mr. Warne and seconded by Mr. Rickard:

THAT ANOTHER EXTENSION OF ONE YEAR BE GRANTED AS AN ADDITIONAL TEMPORARY ABANDONMENT OF THESE TWO WELLS.

Motion carried unanimously.

ATTORNEY GENERAL'S OPINION ON OIL AND GAS COMMISSION'S AUTHORITY TO MAKE AGREEMENTS WITH OTHER AGENCIES (IF RECEIVED.)

Joe Clifford, our legal counsel, of the Attorney General's Office stated that our statutes should reflect that there is authority to have agreements with other agencies. Mr. Clifford suggested having a charter in our agency to determine what our agency needs. Dr. Brennan contemplates having a plan regarding this subject in September, after the budget is submitted.

SETTING OF THE NEXT MEETING DATE

The next meeting is scheduled on September 19 in Phoenix.

Dr. Nations expressed an interest in having the November meeting in Yuma in the event there would be renewed activity there. Dr. Brennan advised there was a possibility of the re-entry of one of the Dowling wells in the Yuma area. Mr. Ybarra suggested a field trip to the geothermal development in Serro Prieto if the meeting is held in Yuma. Dr. Nations suggested that Mr. Ybarra arrange a plan for this visit.

Dr. Nations distributed a copy of the draft evaluation for the Executive Director to the members of the Commission, and requested their responses at their earliest convenience.

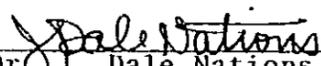
Mrs. Niccoli moved and Mrs. Wilt seconded:

THAT THE MEETING BE ADJOURNED.

Minutes of Meeting  
July 18, 1986  
Page - 3 -

Motion carried unanimously. Time of adjournment was 10:50  
A.M.

APPROVED

  
Dr. J. Dale Nations  
Chairman

Guests in attendance:

J. R. Brathovde  
Joe Clifford  
R. J. Pomeroy  
John Saxon

JRB Enterprises, Inc.  
Attorney General's Office  
Cam-Roy Research &  
Development Corporation  
Attorney



**Oil and Gas Conservation Commission**

STATE OF ARIZONA  
3110 N. 19th AVENUE, SUITE 190  
PHOENIX, ARIZONA 85015  
PHONE: (602) 255-5161  
September 8, 1986

TO: Members of the Oil & Gas Conservation Commission

FROM: Daniel J. Brennan 

Subject: Report of Executive Director

Activity since the July Commission Meeting has centered on moving the office, attempting to meet the Governor's mandated 6% budget cut, and preparation of a budget proposal for 1987-88.

The move into new quarters at 3110 N. 19th Avenue was started on August 16th when we removed our office contents to two suites in the new building. After some minor remodeling was completed on August 26th, we moved everything into Suite 190 and began to unpack our files. We now have our files back in order and have begun to again serve the public.

In my attempts to meet the Governor's order for a 6% budget cut, I have identified 5.03% of \$9,500 which we can cut without disrupting our ability to do our job. The cuts are detailed in the accompanying copy of a letter sent to the Executive Budget Officer.

Our FY88 (1987-88) budget proposal was submitted on August 29. We requested \$194,700 as compared with this year's appropriation of \$189,000. The table below compares last year's budget and this year's request.

<u>GENERAL FUND</u>	<u>Fiscal 87 Approved</u>	<u>Fiscal 88 Request</u>
FTE Positions	4.0	4.0
Personal Services	<u>127,300</u>	<u>131,100</u>
Employee Related Exp.	<u>29,900</u>	<u>27,100</u>
Prof. & Outside Services	400	800
Travel - State	9,800	8,000
Travel - Out of State	500	1,800
Other Operating Exp.	<u>21,100</u>	<u>25,900</u>
SUB-TOTAL	<u>31,800</u>	<u>36,500</u>
TOTAL	<u><u>189,000</u></u>	<u><u>194,700</u></u>

- 2 -

There is a slight increase in Personal Services to cover the 3% raise granted to state employees by the last legislature. Employee related expenses are down due to reductions in the multipliers used to calculate the various fringe costs. State travel money is down due to lowering of projected gasoline costs. Other operating expenses are up due to increases in telephone costs, rent, operating supplies, and equipment replacement.



**Oil and Gas Conservation Commission**

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

ACTIVITY REPORT

September 8, 1986

Rudy Ybarra  
Enforcement Director

During this report period no new applications to drill were received.

Today I was informed that Medallion Oil Co. will be spudding in their well, No. 1-21 Federal, sometime this afternoon, so it will be 3 or 4 days before they start cementing the surface casing. This well is located in Sec. 21, T.40N., R.2E., approximately 10 miles north of Jacob Lake in Coconino County.

On Sept. 3, I witnessed the running in of 8 5/8", 32 lb. surface casing at the Apollo Oil Corp. well No. 1 State northwest of Oracle Junction. Each joint had to be welded and everything went pretty smooth until they encountered a tight spot at about 80 feet, making it very difficult to run in the last 5 joints. Total casing run was 167 feet.

On Sept. 4, the casing was cemented with 30 sacks of Type I & II cement, but there were no cement returns to the surface. The 30 sacks of cement calculated to fill way more than 167 feet of 8 5/8" x 10" annular space.

It took 21 sacks of cement to finally fill the annular space to the surface, the last 6 sacks having been poured on Sept. 9.

This was another poor-boy operation and I was relieved and kind of surprised to see it completed as well as it was.

I will update you on both operations at the meeting.



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA

3110 N. 19th Ave., Suite 190  
PHOENIX, ARIZONA  
PHONE: (602) 255-5161

August 20, 1986

TO: Joseph C. Smith  
Executive Budget Officer

FROM: Daniel J. Brennan  
Executive Director

Subject: 6% Budget Reduction

Thank you for your thoughtful response to our earlier memo requesting a partial exemption from the 6% Budget Reduction. Since that request, we have performed a line-by-line analysis of our 1986 Budget Request and have identified further reductions we can make. These reduction items and their consequences are as described below.

- \$4,300 1. FTE Position - our budget includes approximately \$4,300 to fund inequity increases and to pay for unused leave by employees eligible to retire. The employee in question now says that retirement will probably not occur this fiscal year. This would probably be a 4th quarter expenditure, but I have spread it out as I understand the instructions.
- \$ 900 2. The savings in FTE position is accompanied by a \$900 saving in ERE.
- \$4,300 3. Other Operating savings can total \$4,300, divided as follows:
- |        |                                        |
|--------|----------------------------------------|
| \$ 400 | Outside services                       |
| 500    | Travel - in state                      |
| 500    | Travel - out of state                  |
| 2,900  | Other - printing \$1,000, IOCC \$1,900 |

The savings of \$400 on outside services (draftsman) and \$1,000 for printing will be accomplished by not publishing new field studies and reports we are completing. The material will be available in our files and copies will be sold, but the work will not be finalized. The \$400 was to have been a second quarter expenditure and the \$1,000 a 3rd quarter item.

We had stepped up our enforcement program, by for the first time, inspecting "shut-in" and producing wells. In our initial trip, we found a shut-in gas well leaking potentially deadly gas, and a leaking water line to a water injection well. Both are violations of Commission Rules. We need to continue this inspection program to assure compliance with Commission Rules and to prevent air and groundwater pollution. We will continue our enforcement inspections, but at a somewhat reduced pace.

We will save \$1,900 by not paying Arizona's annual state dues of \$2,000 to the Interstate Oil Commission. Instead we will make a token payment of \$100 to the IOCC. This deprives the state of full membership in this organization, and is embarrassing to the state, but will not hamper our enforcement within the state.

We had hoped to save on telephone bills by virtue of having purchased our own system and doing away with instrument rentals. We were foiled here, because we were forced to move out of the capitol complex to a remote location. Additional line costs and mileage charges will increase our bill, even though we will reduce the number of lines we have.

Other items on our budget are so tight as to preclude additional cuts, especially since we cannot confidently predict our operating costs in the new location.

This adds up to a savings of \$9,500 or 5.03% of our total budget out of a goal of \$11,340.

This is such a small agency that we cannot predict that we will have any vacancy savings at all. If a vacancy should occur, we will use the opportunity to achieve greater savings. Further Budget cuts will require us to cut the work week for our employees.

AGENCY Oil & Gas Conservation Commission

DIVISION \_\_\_\_\_

IDENTIFICATION ( ) DE NO. \_\_\_\_\_

1		2		3		4	
CLAIMS PAID YEAR TO DATE 1986-1987		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION		CLAIMS PAID MONTH OF AUG. 1986		
9,322	22	6011	1	Salaries: Staff	1	5,501 30	
6,049	01	6057	2	Appointed Official	2	3,558 24	
90	00	6058	3	Commission Members	3	90 00	
		6081	4	Temporary Help	4		
1,107	55	6111	5	Emp. Related: F.I.C.A.	5	652 48	
741	96	6113	6	Health Insurance	6	494 64	
79	20	6115	7	D&L Insurance	7	52 80	
38	75	6117	8	Unemployment Insurance	8	22 82	
61	62	6118	9	Dental Insurance	9	41 08	
162	29	6119	10	Workmen's Comp	10	98 85	
857	72	6155	11	Retirement	11	501 00	
107	53	6183	12	Personnel	12	63 60	
		6293	13	Prof. Serv.: Court Reporter	13		
		6499	14	Cartographic Symbols	14		
		6499	15	Cartographer	15		
		6511	16	Travel-State: Air Fare	16		
		6531	17	Taxi	17		
286	02	6541	18	Mileage-Private Vehicles	18		
20	15	6551	19	Mileage-State Vehicles	19	20 15	
		6569	20	Parking	20		
		6569	21	Telephone	21		
		6581	22	Subsistence	22		
		6582	23	Lodging	23		
25	00	6583	24	Per Diem	24		
		6599	25	Registration Fees; Other	25		
		6611	26	Travel-Out of State: Air Fare	26		
		6631	27	Taxi/Rail	27		
		6639	28	Other (Public transport.)	28		
		6641	29	Personal Auto	29		
		6651	30	Motor Pool	30		
		6669	31	Other (Nonpub. transport.)	31		
		6681	32	Subsistence	32		
		6682	33	Lodging	33		
		6683	34	Per Diem	34		
		6699	35	Other	35		
		7019	36	Legal Advertising	36		
140	21	7036	37	Postage Stamps	37		
		7044	38	Telephone Service: ATS Service (WATS)	38		
		7045	39	Line Costs	39		
		7046	40	Station Equipment	40		
		7047	41	Toll Service	41		
		7048	42	Other	42		
384	00	7066	43	Insurance (Risk Management)	43		
		7108	44	Office Rent	44		
		7311	45	Printing	45		
		7532	46	Furniture	46		
		7532	47	Adder/Calculator	47		
		7532	48	Reader/Printer	48		
		7553	49	Typewriter	49		
		7553	50	Copy Machine	50		
		7621	51	Stationery/Envelopes	51		
3	25	7623	52	Printed Forms	52		
		7624	53	Reproduction Supplies	53		
119	03	7625	54	Blue Prints/Office Supplies	54		
4	00	7628	55	Printing Maps/Printing Misc.	55		
				TOTAL			

OFFICE AUDIT:

(DO NOT WRITE BELOW THIS LINE)

FIELD AUDIT:

AGENCY Oil & Gas Conservation Commission

-2-

DIVISION \_\_\_\_\_ IDENTIFICATION CODE NO. \_\_\_\_\_

CLAIMS PAID YEAR TO DATE 1986-1987	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF AUG. 1986
	7962	1 Revolving Fund	1
6 50	7967	2 Books	2
	7971	3 Organization Dues	3
	7975	4 Registration Fees	4
	7997	5 Subscription; Newspaper	5
	7997	6 Technical Journal	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
		55	55
19,600 01		TOTAL	11,096 96

OFFICE AUDIT:

(DO NOT WRITE BELOW THIS LINE)  
TYPED:

FIELD AUDIT:

**MONTHLY FINANCIAL REPORT**

1 RECEIPTS MONTH OF AUG. 1986	2 RECEIPTS CLASSIFICATION	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
	1 Permits to Drill			4,152 00
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
	TOTAL CURRENT MONTH RECEIPTS			XXXXXX
	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD			XXXXXX
	<b>TOTALS - MONTH AND YEAR TO DATE</b>		4,152 00	

6 CLAIMS PAID MONTH OF AUG. 1986	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
9,149 54	1 Personal Services	127,300 00	15,461 23		111,838 77
1,927 27	2 Emp. Related Exp.	29,900 00	3,150 62		26,749 38
	3 Professional Services	400 00			400 00
20 15	4 Travel - State	9,800 00	331 17		9,468 83
	5 Travel - Out of State	500 00			500 00
	6 Other Operating Exp.	21,100 00	656 99		20,443 01
	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				
11,096 96	<b>TOTALS</b>	189,000 00	19,600 01		169,399 99

# BIA to let firm seek oil and gas

## Company can drill on Cocopah land

By SUSAN MERCER  
Special for The Republic

SOMERTON — An oil-and-gas exploration and development firm based in Yuma has received approval from the Bureau of Indian Affairs' Phoenix regional office to start looking for oil and gas on Cocopah tribal land.

Contender Oil Co. Inc., which already owns three wells in the reservation vicinity, had negotiated since last fall to obtain the right to lease seven parcels that cover all of the tribe's land, Contender President Mike Bradshaw said last week. The firm will drill one well on each nearly 640-acre parcel under the



Mike Bradshaw



Fred Miller Sr.

terms of the agreement reached on Thursday.

Although declining to describe the specifics, Cocopah Tribal Chairman Fred Miller Sr. and Bradshaw said the leases run for a 10-year period and are similar to others that private enterprises hold with

federal agencies. In that time, Contender must pay a yearly rent on each parcel to the tribe until the firm develops a productive well.

Then, the Cocopahs would receive a royalty from each well and Contender would earn revenue, too.

— Cocopah, C2

## Cocopah

Continued from C1

Miller and Bradshaw said that they are satisfied with the agreement terms, which BIA lawyers and staff members reviewed before approval, and that Miller's goal of improving the tribe's economic welfare is starting to come true.

"It's very interesting that we've got a company that's willing to sink some bucks in," said Jim Stevens, BIA regional director. "My staff felt it (the agreement) was pretty good."

Bradshaw, an Oglala Sioux originally from Spearfish, S.D., is a geological engineer who wants to continue developing his firm's lease holdings in the area before sinking any new wells. He said indications from the existing three wells show natural gas "probably" exists in the area, but he is unsure how much oil there is to be found.

His plan now is to telephone and visit with other area landowners to see whether he can obtain leases with them. Development of a successful gas-drilling operation depends on holdings of thousands of

acres in an area, Bradshaw said.

Ideally, he said, he would like to see Contender hold leases on 10,000 to 15,000 acres in the region.

The Cocopah reservation is in what geologists call the Yuma Basin. Part of the Salton Trough, which runs diagonally from the Salton Sea in California to the Gulf of California, the basin already has indicated that finds of oil and gas are likely, he said.

Pemex, the Mexican national petroleum company, has drilled wells in the nearby Altar Basin in Sonora, about two miles south of the Yuma County line, and reported detecting oil and finding gas, according to a Pemex engineer's study. Alfredo B. Guzman concludes his report by saying the Altar Basin could be "one of the world's most productive basins."

Miller and Bradshaw hope to see some of that become manifest with the current leases.

The agreement states that the Cocopahs would be given priority in hiring, and Miller said that the tribe already has begun a job-training program to teach necessary skills.





STATE OF ARIZONA  
BUDGET REQUEST FY 1988  
TRANSMITTAL STATEMENT



TO THE GOVERNOR:

This and the accompanying budget schedules, statements and explanatory information comprising 21 pages constitute the operating budget estimates of this agency for proposed expenditures for the 1988 fiscal year in accordance with A.R.S. §35-113.

All statements and explanations contained in the estimates submitted herewith are true and correct to the best of my knowledge.

Signed: *Daniel J. Brennan*  
(Signature of Agency Head)

Executive Director  
(Title)

Budget Request Prepared By: Daniel J. Brennan

Phone: 255-5161

AGENCY Oil and Gas Conservation Commission

DATE August 29, 1986

A.R.S. CITATION 27-501 to 539 and 27-651 to 666

TOTAL AMOUNT REQUESTED

GENERAL FUND \$ 194,700

OTHER FUNDS \$ \_\_\_\_\_



STATE OF ARIZONA  
AGENCY SUMMARY OF EXPENDITURES AND BUDGET REQUESTS FY 1988

AGENCY Oil and Gas Conservation Commission

Name of Fund/Program	Actual FY 1986	Estimated FY 1987	Increase (Decrease)	EBO Use Only	Program Change	EBO Use Only	Request FY 1988	Recommend FY 1988
TOTAL	4	4	0				4	
FTE POSITIONS.....	104,600	127,400	3,700				131,100	
PERSONAL SERVICES.....	20,700	29,900	(2,800)				27,100	
EMPLOYEE RELATED EXP.....	34,000	31,800	4,700				36,500	
ALL OTHER OPERATING EXP.....	159,300	189,000	5,600				194,700	
SUB TOTAL.....								
OTHER.....								
TOTAL	159,300	189,000	5,600				194,700	

STATE OF ARIZONA  
SUMMARY OF EXPENDITURES AND BUDGET REQUESTS FY 1988

AGENCY Oil and Gas Conservation Commission PROGRAM                     

EXPENDITURE CATEGORY	ACTUAL FY 1986	ESTIMATED FY 1987	INCREASE (DECREASE)	EBO USE ONLY	PROGRAM CHANGE	EBO USE ONLY	REQUEST FY 1988	RECOMMEND FY 1988
FTE POSITIONS.....	4	4					- 4	
PERSONAL SERVICES.....	104,600	127,300	3,700				131,000	
EMPLOYEE RELATED EXP.....	20,700	29,900	(2,800)				27,100	
ALL OTHER OPERATING EXP.....	34,000	31,800	4,700				36,500	
SUB-TOTAL.....	159,300	189,000	5,600				194,700	
OTHER.....								
TOTAL APPROPRIATED.....								
ADD FEDERAL FUNDS.....								
ADD OTHER FUNDS.....								
TOTAL PROGRAM.....	159,300	189,000	5,600				194,700	

ALL OTHER OPERATING EXPENDITURES DETAILED

PROFESSIONAL & OUTSIDE SERVICES.....	-	400	400				800	
TRAVEL - STATE.....	5,400	9,800	(1,800)				8,000	
TRAVEL - OUT-OF-STATE.....	1,600	500	1,300				1,800	
OTHER OPERATING EXP.....	17,600	21,100	4,800				25,900	
FOOD.....								
EQUIPMENT.....	9,500	0	1,600				1,600	
TOTAL ALL OTHER OPERATING.....	34,000	31,800	4,700				36,500	







**STATE OF ARIZONA  
REGULAR POSITIONS WORKSHEET**

AGENCY Oil and Gas Conservation Commission

PROGRAM \_\_\_\_\_

POSITION CLASSIFICATION TITLE	GRADE	TOTAL FTE	PERSONAL SERVICES FY 1987	WORKSHEET
Program Administrator	20	1	37,100	TOTAL REGULAR POSITIONS <u>71,900</u>  LESS: AMOUNT BUDGETED FOR REGULAR POSITIONS FY 1987 (SEE SCHEDULE 5) ( <u>71,900</u> )  INCREASE (DECREASE) REGULAR POSITIONS TO SCHEDULE 5 _____  EXPLANATION OF INCREASE (DECREASE): _____
Administrative Assistant	13	1	20,900	
Secretary	11	1	<u>13,900</u>	
<b>TOTAL REGULAR POSITIONS</b>		<b>3</b>	<b>71,900</b>	

STATE OF ARIZONA  
EMPLOYEE RELATED EXPENDITURES WORKSHEET FY 1988

AGENCY Oil and Gas Conservation Commission PROGRAM

F.I.C.A. NO.	FTE	PER. SERV. FY:1987	RATE FACTOR	AMOUNT	SUB-TOTALS
	1		\$3,225	3,225	
Number of FTE positions \$44,000 and above (E)					9,094
Personal Services Amount (\$)					9,094
(\$43,000 and below (D))					
<b>BASIC BENEFITS:</b>					
		PER. SERV. FY 1987	RATE FACTOR	AMOUNT	
Workmen's Compensation Insurance (A)		127,400	.0097	1235.78	
Unemployment Insurance (A-C)		126,500	.0020	253	
State Retirement (A-C)		126,500	.0550	6957.50	
Public Safety Retirement		-	-	-	
Elected Officials' Retirement		-	-	-	
Personnel Division Services (A)		127,400	.0068	866.32	9,313
<b>HEALTH &amp; ACCIDENT INSURANCE:</b>					
		NO. FTE POSITIONS	RATE FACTOR	AMOUNT	
Employees Only		2	1,136	2,272	
Employees & Dependents		2	2,154	4,308	
Family - Both State Employees		-	-	-	
LIFE & DISABILITY INSURANCE		4	182	728	
<b>DENTAL INSURANCE:</b>					
Employee only		2	94	188	
Employee & Dependents		2	214	428	7,924
<b>TOTAL BENEFITS</b>				26,331	

DIVIDED BY 127,400  
FY 1987 PERSONAL SERVICES

EQUALS - .2067  
TO SCHEDULE 5  
FY 1988 ERE RATE

SCHEDULE 5B  
PAGE NO. 9

PERSONAL SERVICES DETAIL

FY 1987 Personal Services (Includes POPS & General Adjustment) SUBTRACT:  
Salaries Over \$44,000  
Boards/Commissions  
Compensation  
Adjusted Base =

Number of FTE positions \$44,000 and above. 1 E

Note exceptions on the back of this schedule

STATE OF ARIZONA  
 PROFESSIONAL AND OUTSIDE SERVICES FY 1988

AGENCY Oil and Gas Conservation Commission PROGRAM         

CODE	EXPENDITURE CATEGORY	Actual FY 1986	Estimated FY 1987	Increase (Decrease)	EBO Use Only	Program Change	EBO Use Only	Request FY 1988	Recommend FY 1988
6230	Cartographic Services	0	400	400				800	
6250									
6270									
6290									
6310									
6470									
6200	TOTAL PROFESSIONAL/OUTSIDE SERVICES - T o Schedule 3	0	400	400				800	

STATE OF ARIZONA  
BUDGET JUSTIFICATION FY 1988

Agency Oil and Gas Conservation Commission

Program \_\_\_\_\_

Professional and Outside Services

We request an increase in professional and outside services to make up for the services deleted during FY87 because of budget reduction. This funding is for drafting of final copies of maps and sections for publication of Commission reports. The Commission does not own the necessary equipment and does not employ a drafter. Present staff make up semi-final copies, but a professional is required to make originals suitable for publication.

AGENCY Oil and Gas Conservation Commission

PROGRAM \_\_\_\_\_

STATE OF ARIZONA  
TRAVEL FY 1988

Code	Travel - State	Actual FY 1986	Estimated FY 1987	Increase (Decrease)	EBO Use Only	Program Change	EBO Use Only	Request FY 1988	Recommend FY 1988
6510	Public Transportation.....		0						
6540	Non-Public Transportation	4,840.73	7,264	(1,800)				5,460	
6580	Subsistence.....	512.00	2,536	0				2,536	
6500	TRAVEL -STATE - To Schedule 3.....	4,352.73	9,800	(1,800)				8,000	
Code <u>Travel -Out Of State</u>									
6610	Public Transportation....	719.80	500	500				1,000	
6640	Non-Public Transportation								
6680	Subsistence.....	850.51		800				800	
6600	TRAVEL -OUT OF STATE - To Schedule 3.....	1,570.31	500	1,300				1,800	
DESTINATION									
	Houston, Texas	1	5	900					
	To be determined	1	5	900					
PURPOSE OF TRIP									
To send Executive Director to annual meeting of American Association of Petroleum Geologists in Houston, Texas. This is the principal meeting of explorationists in the country and Arizona should be made known to these people.									
To send Chairman of Oil and Gas Commission to the meeting of Interstate Oil Compact Commission. This is a good forum to explain Arizona Oil and Gas opportunities. The Chairman is the governor's representative to the I.O.C.C.									





STATE OF ARIZONA  
OTHER OPERATING EXPENDITURES

AGENCY Oil and Gas Conservation Commission PROGRAM 1

Code	SUBCATEGORY Description	Actual FY 1986	Estimated FY 1987	Increase (Decrease)	EBO Use Only	Program Change	EBO Use Only	Request FY 1988	Recommend FY 1988
7019	Advertising	51.22	0	0				0	
	Total 7010	51.22	0	0				0	
7036	Postage	369.50	414	50				464	
7044	WATS-ATS	949.50	1,410	225				1,635	
7045	Line Costs	469.12	592	700				1,300	
7046	Station Equipment	553.81	428	(400)				0	
7047	Toll Service	256.73	178	150				325	
7048	Other	1,018.77	750	19				769	
	Total 7030	3,617.43	3,772	744				4,516	
7066	Insurance	500.00	400	9				409	
	Total 7050	500.00	400	9				409	
7108	Lease/Rental Land/Bldgs	9,700.00	12,800	2,400				15,200	
	Total 7100	9,700.00	12,800	2,400				15,200	
7310	Printing & Photography	0	1,035	25				1,100	





STATE OF ARIZONA  
BUDGET JUSTIFICATION FY 1988

Agency Oil and Gas Conservation Commission

Program "Other Operating Expenses"

Two events have occurred during the past year which affect the budget request of the Oil and Gas Commission. The first of these was the appointment of a new Executive Director in January of 1986, after the position had been vacant for some six months. The second event was the removal of the Commission's offices from a State building in the Capitol Complex to commercial space remote from the capitol, at the order of the Department of Administration.

The appointment of a new director always brings changes, and in this case it represents a more activist approach to carry out the statutory duties of the Commission, regulation and encouragement of oil and gas drilling in Arizona.

At the time for preparation of the 1987 budget, the Commission did not have a director so the budget submitted was basically a continuation budget, and did not reflect actual expenditure needs or history. This year's budget request takes both actual historical spending patterns and future needs in account.

The second event affecting the budget is the unplanned move into commercial space. As outlined below, these events have allowed us to make some savings, but also have caused unforeseen expense increases. Details and justifications for each line follow below.

7030, Communications - a net \$700 increase as outlined below.

7036, Postage includes a request for \$50 increase in postage to cover slightly increased mailings for users and potential users of Commission Services.

7045, Line Costs includes a request for \$700 increase to cover increased line and mileage costs for telephone service at the Commission's new office location outside the Capitol Complex.

7046, Station Equipment includes a \$400 decrease brought about by purchase of telephone equipment instead of renting as in the past.

7047, Toll Service includes a \$150 increase to cover additional long distance outside of Arizona as the Commission deals at an increasing rate with out of state potential operators.

STATE OF ARIZONA  
BUDGET JUSTIFICATION FY 1988

Agency Oil and Gas Conservation Commission

Program "Other Operating Expenses"

7510, Repair/Maintenance, Non Contract - no provision for this item was made in the FY 1987 Budget. This request returns us to the level of actual 1986 expenditures.

7570, Operating Supplies - budget request for 1987 was for less than 1986 actual expenditures. This request for \$500 increase brings us back up to the 1986 level and allows some additional to accommodate having a full time Director again.

7960, Miscellaneous

7967, Books - We request a \$600 increase here. This is to purchase updated pocket parts for the Commission's set of Arizona Revised Statutes. This set has not been kept up to date, and without the revised pocket parts, is useless as a reference to the State's statutes. This is an indispensable reference set for an office dealing in regulatory procedures.

7975, Registration Fees - Again, no provision was made in the 1987 budget request, even though there were actual 1986 expenditures. We request \$300 for registration for two conferences, which is in line with the great recent escalation in conference fees.



STATE OF ARIZONA  
BUDGET JUSTIFICATION FY 1988

Agency Oil and Gas Conservation Commission

Program \_\_\_\_\_

8483, Equipment - We request \$600 for the purchase of three 3 X 7 foot bookcases. Two will replace rickety metal warehouse-type shelving used to house the Commission's public library of general and specialized technical references. These shelves are actually depending on the wall for support and are held together by an assortment of clips, bolts, plates, and straps. They present a hazard to persons unfamiliar with their characteristics. The third bookcase will replace metal shelving in the Director's office. The shelves were literally saved from the scrap heap at the State surplus property warehouse.

We request \$1,000 for the purchase of a new electric typewriter with correcting feature. We plan to replace a 14-year old electric typewriter which has certainly outlived its expected useful life and which lacks the correcting feature. We hope it lasts until funding for a replacement is available.