

OIL & GAS CONSERVATION COMMISSION
Meeting: November 21, 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

November 6, 1986

TO: Oil and Gas Commissioners

FROM: Daniel J. Brennan 
Executive Director

SUBJECT: Agenda for November 21, 1986 Meeting

As you will quickly notice the agenda for your next meeting is rather full of "considerations" of paperwork. You should already have a copy of our proposed budget. If not, please let us know and we will send one immediately.

We are enclosing copies of an Overtime Policy and Grievance Procedure. Both of these are mandated by the state and both are fairly standard. The policy on Sample Use is what we have started to do and it would be nice to have a formally adopted policy.

The executive session will deal with allocating funds available for "performance" awards and "special" awards. We have invited our personnel representative to come to the meeting to help out.

The discussion on rules and procedures will be based on some ideas I have come up with, but am not yet ready to propose formally. The procedure is so complicated that some agencies find it faster and easier to go to the legislature than to go through the administrative maze.

I hope you can all attend and that we can have a very productive session.



Oil and Gas Conservation Commission

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A G E N D A

Meeting
November 21, 1986
3110 N. 19th Ave., Suite 190
Phoenix, Arizona

- 10:00 A.M. Call to order
1. Approval of Minutes of Meeting of September 19, 1986
 2. Report of Executive Director Daniel J. Brennan
 3. Report of Enforcement Section R. A. Ybarra
 4. Consideration of FY 1988 Budget Request
 5. Consideration of Overtime Compensation Policy
 6. Consideration of Grievance Procedure
 7. Consideration of Sample Use Policy
 8. Discussion: Rules and Procedures for Changing Rules
 9. Call to the Public
 10. Executive Session for Consideration of Personnel Matters
 11. Adjournment

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

OIL AND GAS CONSERVATION COMMISSION
3110 North 19th Avenue, Suite 190
Phoenix, Arizona 85015

Minutes of Meeting
September 19, 1986

Present:

Dr. J. Dale Nations, Chairman
Mr. Forrest R. Rickard, Vice-Chairman
Mrs. Jan C. Wilt, Member
Dr. Daniel J. Brennan, Executive Director
Mr. Rudy A. Ybarra, Enforcement Director

The regular Commission Meeting of September 19, 1986 was called to order by Dr. J. Dale Nations, Chairman, at 10:10 A.M. at its new location.

APPROVAL OF MINUTES FOR REGULAR MEETING OF JULY 18, 1986

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

THAT THE MINUTES OF THE REGULAR MEETING OF
JULY 18, 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. Dr. Brennan distributed an article from THE ARIZONA REPUBLIC telling of Contender Oil Company being formed in the Yuma area by Michael Bradshaw of BRADCO, and of contemplated drilling on the Cocopah Indian Reservation. Dr. Brennan and Mr. Ybarra are to have a meeting next week with Mr. Bradshaw. A request for a permit for Shields Exploration Company has been received.

REPORT OF ENFORCEMENT DIRECTOR

Mr. Ybarra, the Enforcement Director, reviewed his Activity Report previously sent to the Commissioners and made a part of these minutes. He also reported that due to a lack of funding, it was necessary for him to cancel the geothermal trip to Baja. He reported that Jay Shields will drill a Mississippian/Devonian test at his new well location, and that he is to modify his drilling program.

DISCUSSION OF POSSIBLE RULE CHANGES

Since Dr. Brennan was not able to arrange for a meeting with Joe Clifford, legal counsel, from the Attorney General's Office to discuss this situation, no action was taken on this subject.

Dr. Brennan brought to the attention of the Commission that Dr. James R. Brathovde has been drilling for geothermal information without a permit. A letter has been drafted to be sent to him to submit complete records of the wells which have been drilled. This draft will be forwarded to Joe Clifford for his review. There is a possibility that a hearing may be necessary. If the wells have not been plugged, it will be necessary that this be done. Mr. Ybarra advised that according to Mr. Girard of the Forest Service there are three wells to be drilled and one already has been.

Cy Young, of the State Land Department, explained that Dr. Brathovde applied for a noncompetitive geothermal lease, but the state statutes did not have a provision for this kind of lease. While new statutes were written and referred to the Attorney General's Office for an opinion, it was decided not to make a change in them.

Dr. Nations requested for the next agenda preparation, the subject of the Commission's reviewing of the annual budget be listed, and Dr. Brennan will check the statutes for this information.

CALL TO THE PUBLIC

John Haas of the Bureau of Land Management commented that Medallion Oil Co. does have a permit for a second well. Mr. Ybarra reported that Medallion has about 150,000 acres under lease.

Cy Young remarked that Senator Bumpers of Arkansas has introduced legislation whereby leasing of federal lands would be changed to a system requiring that all acreage be put up for bid with a \$35.00 per-acre minimum. If any tract is not leased, then it could be filed on for \$1.00 per acre on a noncompetitive basis. The Commissioners felt this proposal would have a negative impact in Arizona, if enacted.

It was agreed by all the Commissioners present that the next Commission Meeting will be in Phoenix on November 21, 1986.

Mr. Rickard moved and Mrs. Wilt seconded:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 11:11 A.M.

APPROVED

Dale Nations
Dr. J. Dale Nations
Chairman

Guests in attendance:

Dr. Larry Fellows

John Haas
Cy Young

Bureau of Geology and
Mineral Technology
Bureau of Land Management
State Land Department



Oil and Gas Conservation Commission

STATE OF ARIZONA

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PHONE: (602) 255-5161

ACTIVITY REPORT

November 5, 1986

Daniel J. Brennan
Executive Director

A handwritten signature in dark ink, appearing to be "DJB", written over the typed name of Daniel J. Brennan.

This period has been a busy one. Enclosed are copies of proposed Policies on Overtime Compensation, Grievance Procedure, and Sample Use. The first two are mandated by the State, and the third formalizes the policy we have instituted for Sample Use.

The Commission provides a varied resource to the community. During this period we have had inquiries on leasing procedures, drilling procedures, - almost "how to get into the oil business", gold mining, rules for storage caverns, refinery operation, methanol in gasoline and others.

Mr. Curtt Coppage of Intermountain Asphalt Products, Salt Lake City, inquired about procedures and requirements for operating a refinery to be located in Fredonia. We provided him with information and sample report forms.

Salt Grass Exploration's drilling contractor ran into expensive delays when the State Compensation Fund lost their application for Workmen's Compensation Insurance. After having crews and rigs on standby for a day and a half, they finally called our office for help. We contacted the Compensation Fund and they issued a binder in a short time. Whether or not it was due to our intercession, the insurance was issued.

The issue of air pollution has brought calls to this office, especially with regard to low-pollution motor fuels. Often mentioned is gasohol, a mixture of alcohol and gasoline. I conducted a survey and found no suppliers of gasohol in the Phoenix area, but I did run into the Arizona Alcohol Fuels Commission. The A.A.F.C. is a private organization promoting gasohol.

An oil company has borrowed samples for 12 wells for sample studies, indicating continuing interest in exploration in Arizona.

Enclosures



Oil and Gas Conservation Commission

STATE OF ARIZONA

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ACTIVITY REPORT

October 31, 1986

R. A. Ybarra
Enforcement Director

During this report period one new APD was received, one well was drilled and abandoned, and one well was given a temporary abandonment status for 6 months.

The new drilling permit was issued to Salt Grass Exploration, Inc., out of Austin, TX. The well was spudded on October 28, and after drilling through only twenty feet of Malapai, they drilled ahead without problems to 282 feet. The surface casing, 7", 23 lb., J-55, was run and cemented at 282' with 115 sacks of cement. There were no returns at the surface and they dumped another 55 sacks of cement into the annulus and filling to the surface. They will allow the cement 12 hours to set before they nipple up.

Medallion Oil Co., well No. 1-21 Federal in Sec. 21, 40N., 2E. was spudded on 10/8/86, and drilled to 795'. They ran in 10 3/4' casing and cemented it at 500' with 320 sacks of cement. An additional 3 1/2 yards of ready mix were dumped into the annulus and filled to the surface. The hole was drilled to 4016' where drilling collars and drill pipe became stuck. Unable to retrieve the fish, they decided to plug the well. Upon instructions from this office, the hole was filled with drilling mud and plugged with ready mix from 480' to the surface.

Apollo requested, officially, a temporary abandonment status on their well, No. 1 State in Pinal County. They were given 6 months until April 17, 1987, to complete their well operations.

Misc. Items.

While at the Salt Grass Expl., Inc. well I met Bob James, owner of the New Mexico Drilling Co. Bob told me that he had turned in a bid on the Amoco well to be drilled near Flagstaff. I guess that this project is still on.

Bob James also informed me that he will be drilling a 3200-foot water source well for Energy Fuels Nuclear. The proposed location is Sec. 30, 39N., 3E. I will try to get copies of whatever logs are run.

Activity Report
R. A. Ybarra

A consulting firm out of Houston is looking into Helium potential in NE Arizona for a client. I understand that our two main sources of Helium come from Kansas and the Texas Panhandle and that both sources are depleting rapidly. And besides this, we also export some.

Dan and I met with Bradco and their new partners in Yuma to learn of their plans in this area. They formed a new company and are now in the process of obtaining a state-wide blanket bond. Their plans are to reenter and test some of the old wells and possibly drill some new wells.

I am scheduled to visit and inspect wells in Dry Mesa, Teec Nos Pos, and Dineh-Bi-Keyah Fields the first week of November.

OIL & GAS CONSERVATION COMMISSION

SAMPLE POLICY

The Oil and Gas Commission hereby adopts the following as its policy regarding samples and cores. In the declaration of policy "samples" is meant to include rotary and cable tool cuttings and chips and cores, core slabs and core chips.

1. Samples received by the Commission under Rule 12-7-21 shall be preserved and maintained in good order.
2. A record or file shall be kept indicating the location of samples from each well.
3. Samples are to be maintained for use as a public library.
4. Samples may be examined on the premises by any person requested to do so. Reasonable notice for retrieval of the samples may be required.
5. Samples may be loaned for use off-premises to any responsible person at the discretion of the Commission.
6. Users of samples shall take reasonable and customary measures to maintain the integrity and volume of each individual sample and shall not mix samples together.
 - a. Users may use ordinary tests for mineralogical determination. Acid must not be placed in the bulk sample, rather one or two individual grains may be removed to a separate container for acid tests.
 - b. Solvents must not be placed in the bulk sample, rather one or two individual grains may be removed to a separate container for solvent tests.
 - c. In no case shall bulk solvent extraction, pyrolysis or other destructive tests be run on any samples without prior permission of the Commission.
7. Users shall return all individual samples to their original containers. If the container is damaged beyond use, a new container shall be provided.
8. Users shall replace all samples in order from top of the hole down in the original sample box.
9. Users shall provide the Commission, within 30 days of their completion, copies of all logs, paleontological and other reports, maturation studies, source rock analysis and any other study or analysis made possible by use of samples from the Commission's library. The Commission will grant a 6-month confidentiality period if so requested by the owner of the report and may grant one six-month extension of the period of confidentiality if so requested.

OIL & GAS CONSERVATION COMMISSION

OVERTIME POLICY

Overtime Defined:

Overtime is all hours worked in excess of 40 hours during the established work week. The established work week shall be a seven day period beginning at 12:00 o'clock a.m., Saturday, and ending Friday at 11:59 p.m.

Definition of Hours Worked:

Hours worked shall include only hours actually worked and exclude any time off for paid leave, holidays, or compensatory time.

Use of Overtime:

Overtime should be used only when there are no other practical or available means of completing the work.

Approval of Overtime:

Overtime hours must be approved by the Director in advance, except in cases of emergencies. No prior approval is required for overtime incurred in carrying out the enforcement program of the Commission.

Compensation for Overtime:

Non-exempt employees (NE) shall receive either cash payment or compensatory time accrual at a time-and-one-half rate for all overtime hours worked.

Overtime will normally be compensated by the accrual of compensatory time, at the appropriate rate, unless prior authorization for cash payment is granted by the Director. Cash payment should be approved only after considering the current workload and staffing levels, the amount of overtime, the duration of and/or the recurring need for overtime, current compensatory time balances, and the availability of funds.

A non-exempt employee who has reached the maximum compensatory time accrual of 240 hours shall be paid in cash, at the appropriate rate, for overtime hours worked.

Exempt employees (EX) except as excluded below shall receive compensatory time accrual on an hour per hour basis for authorized overtime hours worked.

Employees in the following positions are excluded from receiving either overtime pay or compensatory time:

- Positions appointed pursuant to 38-211
- Persons whose primary duty is to manage the State agency or State agency subdivisions, which include divisions, bureaus, or equivalent units who use

discretionary powers, who direct the work of at least two other employees, and who have the authority to hire and fire.

- Positions meeting the restricted definition of professional according to Personnel Rules.

Exempt employees who have accrued 240 hours of Compensatory time shall not be permitted or required to work overtime.

Payment of Cash Overtime:

Cash overtime shall be paid in the same or next pay period after which it is earned. The amount of payment shall be based upon the employee's regular hourly rate of pay for the work week in which overtime is earned. The regular hourly rate of pay is determined by dividing the total wages paid in any work week by the total number hours worked in that work week.

Use of Compensatory Time:

Employees wishing to use compensatory time must obtain advance written approval of their supervisor. Employees requesting to use accrued compensatory time shall be allowed to do so within a reasonable period after the request, unless use of time would unduly disrupt agency operations.

Compensatory time must be used before annual leave is used.

Upon termination of employment, employees will be compensated at their current rate of pay or the average of their regular rate of pay over the last three years, whichever is higher, for all unused compensatory leave up to the maximum of 240 hours.

Grievance Procedure:

Employees should follow the standard Oil & Gas Commission grievance procedure for disputes concerning interpretation of this policy. If the dispute concerns an interpretation of the Personnel Rules or the Fair Labor Standards Act, and is not resolved satisfactorily, the final step in the grievance procedure shall be the Director of Administration.

OIL & GAS CONSERVATION COMMISSION

Grievance Procedure

Revised
DRAFT

Grievance System

- A. The grievance procedure shall not apply to any matter for which another method of review is provided, including but not limited to:
1. Retirement, Life Insurance, or Health Insurance.
 2. Suspension for more than eighty working hours, demotion, or dismissal resulting from disciplinary action.
 3. Any examination, certification, or appointment.
 4. Any classification action.
- B. Restrictions: An employee may not submit a grievance challenging the following management rights, but may submit a grievance concerning the manner of their administration, insofar as they personally affect the employee.
1. An agency's right to direct its employees.
 2. An agency's right to hire, promote, transfer, assign, and retain employees.
 3. An agency's right to maintain efficiency of government operations, and to determine the methods, means, and personnel by which these operations are to be conducted.
- C. Performance Increases and Decreases: An employee may not submit a grievance concerning a performance decrease, the non-receipt of a performance increase or special performance award, the amount of any increase or decrease, or the use of any job-related supplemental rating factors to determine the receipt or amount of increase or decrease.
- D. Agency Control: An employee may not submit a grievance concerning any matter not subject to the control of the agency, except for complaints alleging a violation of State Personnel Rules.
- E. Amendments: Once a grievance is referred to any step beyond the immediate supervisor, it may not be amended. If additional documentation is submitted by the grievant after the initiation of the grievance, the reviewing official may remand the grievance to the appropriate previous level for reconsideration.

Grievance Procedures.

Revised
Draft

- A. Content: The grievance procedure shall operate in an orderly manner and shall follow the step-by-step process outlined below until at some step the grievance is resolved.
1. The grievant shall have an oral discussion with the immediate supervisor in an attempt to resolve the problem, prior to submitting a written grievance.
 2. The employee shall file the grievance in writing with the immediate supervisor within ten working days after the occurrence of the action being grieved.
 3. The grievance shall contain a complete statement of all the facts and circumstances involved in the alleged violation, and the specific redress sought.
 4. Any grievance alleging non-compliance with the Personnel Rules shall specify the precise Rule alleged to have been violated.
 5. If a group of employees presents a grievance in which the issues and redress sought are identical, all must sign the grievance, and designate a contact person from the group.
 6. Any employee or group of employees filing a grievance may select a representative at any step in the procedure after the oral discussion with the immediate supervisor.
 7. A State Service employee who serves as the representative of a grievant must receive approval for annual or compensatory leave to represent the grievant.
 8. A grievant shall have five working days after receipt of a response to forward the grievance at any step, must sign the grievance at each step, and must state the reasons why the response at the previous step is unsatisfactory.
 9. The Commission Executive Director shall respond to the grievant not later than ten working days after receipt of the grievance at the first step. Within the ten working day period, the time for any step may be extended by the agency head with the concurrence of the grievant.
 10. The decision of the Executive Director is final on all grievances except those that allege discrimination or non-compliance with the Personnel Rules.

Grievance Procedures (Cont.)

Revised
DRAFT

B. Review:

A grievant, who is not satisfied with the decision of the Executive Director on a grievance alleging discrimination or non-compliance with these Rules, may submit the grievance to the Director of the Department of Administration within five working days after the receipt of the agency head's response. If the facts of the grievance support the agency response, the Director shall affirm the Executive Director's resolution. Otherwise, the Director shall conduct an investigation, reach a final decision, and furnish a copy of the findings and final decision to the Executive Director and the grievant within twenty working days following receipt of the grievance by the Director. The twenty working days may be extended by the Director with the concurrence of the grievant.

C. Discrimination:

An employee who has a complaint alleging discrimination prohibited by A.R.S. 41-1463, and who is not satisfied with the final grievance resolution, will be referred to the appropriate agency by the Director of the Department of Administration.

11/3/86

R12-7-103. Bond

- A. 1. Before any person shall hereafter engage in the business of drilling for or producing a well in this state, such person shall file with the Commission a bond executed by such person as principal and some surety company OR SOME OTHER FORM OF SURETY, satisfactory to the Commission, in the principal sum of \$5,000 for each individual well or in the principal sum of \$25,000 as a blanket bond to cover all wells, payable to the Oil and Gas Conservation Commission, State of Arizona, for the use and benefit of the Oil and Gas Conservation Fund. Such bond shall be conditioned on the following requirements:
 - a. Compliance with all statutes and rules and regulations.
 - b. Plugging and abandoning well as approved by the Commission.
2. BEFORE ANY PERSON SHALL HEREAFTER ENGAGE IN THE BUSINESS OF DRILLING SEISMIC SHOT HOLES IN THIS STATE, SUCH PERSON SHALL FILE WITH THE COMMISSION A BOND EXECUTED BY SUCH PERSON AS PRINCIPAL AND SOME SURETY COMPANY OR SOME OTHER FORM OF SURETY SATISFACTORY TO THE COMMISSION IN THE PRINCIPAL SUM OF \$5,000 FOR EACH SEISMIC SHOT HOLE PERMIT FOR UP TO 50 SEISMIC SHOT HOLES, OR IN THE PRINCIPAL SUM OF \$25,000 TO COVER ALL SEISMIC SHOT HOLES, PAYABLE TO THE OIL AND GAS CONSERVATION COMMISSION, STATE OF ARIZONA, FOR THE USE AND BENEFIT OF THE OIL AND GAS CONSERVATION FUND. SUCH BOND SHALL BE CONDITIONAL ON THE FOLLOWING REQUIREMENTS:
 - a. COMPLIANCE WITH ALL STATUTES AND RULES AND REGULATIONS.
 - b. PLUGGING AND ABANDONMENT OF ALL SEISMIC SHOT HOLES AS APPROVED BY THE COMMISSION.

R12-7-103. Bond

B. Transfer of property does not release the bond. If the property is transferred and the principal desires to be released from the bond, the procedure shall be as follows:

1. The principal on the bond shall notify the Commission in writing that the well or wells OR SEISMIC SHOT HOLES, describing accurately the location of each, and the date and number of each permit to drill, has or have been transferred to a named transferee for the purpose of ownership or operation.
2. The transferee of any well or SEISMIC SHOT HOLE or of the operation of any such well or shot hole shall declare in writing his acceptance of such transfer and of the responsibility of such well, and shall submit a new bond or bonds unless his blanket bond applies to the well or wells.

C. When the Commission approves the transfer, the transferor is released from all responsibility thereafter with respect to the well or wells OR SEISMIC SHOT HOLE^{or HOLES}, and the Commission will declare in writing that the transferor's bond or bonds applicable thereto is subject to release and will so notify the principal and the bonding company.

Comment A.1. Previous rule allowed bond by an insurance company only, whereas practice in Arizona and most other states allows other forms of bond, such as cash, certified check, or certificate of deposit. This revision is on line with long-time practice and assists in the present difficult bond market.

A.2. This addition is made necessary by revision of R12-7-104.

Authority. 17-516.A.3.

R12-7-103 At present bond is \$5,000 for one well and \$25,000 for any number of wells (Blanket Bond).

In view of the fact that \$5,000 is insufficient to pay for the plugging of most wells, should the Commission increase the Bond? If so, how much? Would a depth bracket bond be practical?

Example:	Depth	Bond	
	Less than 5,000	<i>min</i> \$5,000	<i>increase w/ parameters</i>
	5,000 - 7,500	10,000	
	7,500 - 10,000	15,000	

For Comparison:

New Mexico 5,000 to 12,500 depending on location and depth;
Blanket Bond \$50,000

Nevada \$10,000 per well.
Blanket Bond \$50,000

Utah Not required on Federal lands if Federal Bond is posted in Utah.

0 - 3,000	\$10,000
3,001 - 10,000	20,000
10,800	40,000

Blanket Bond \$80,000

California

Less than 5,000	10,000
5,000 - 10,000	15,000
More than 10,000	25,000

Blanket Bond \$100,000

Oklahoma \$25,000 Blanket (only form)

Texas Authorized but not really required.
When required, estimated cost of plugging
Blanket Bond \$250,000

Illinois \$2,500 per well

Blanket Bond \$25,000

Kansas, Louisiana, Mississippi

No Bond required.

Oregon Less than 2,000 ft. - \$10,000

More than 2,000 ft. - \$25,000

Blanket Bond \$150,000

R12-7-104.

A. Unchanged

B. Unchanged

C. 1. A PERSON DESIRING TO DRILL A SEISMIC SHOT HOLE OR HOLES SHALL NOTIFY THE COMMISSION OF SUCH INTENT IN DUPLICATE ON A FORM, SEE APPENDIX 1, AND SHALL PAY A FEE OF \$25.00 FOR EACH PERMIT.

2. A SEISMIC SHOT HOLE PERMIT MAY BE ISSUED FOR UP TO 50 SEISMIC SHOT HOLES. ADDITIONAL PERMITS MUST BE ISSUED FOR EACH MULTIPLE OF 50 HOLES APPLIED FOR. A SEISMIC SHOT HOLE PERMIT SHALL BE VALID FOR A PERIOD OF 6 MONTHS FROM THE DATE OF ISSUE. ALL PLUGGING OPERATIONS MUST BE COMPLETED WITHIN 60 DAYS OF THE END OF THE LIFE OF THE PERMIT. IN AN EMERGENCY, THE COMMISSION MAY GRANT A ONE-TIME EXTENSION OF UP TO 6 MONTHS FOR ANY PERMIT UPON RECEIPT OF APPLICATION IN WRITING FOR THE EXTENSION.

AN EMERGENCY MAY BE DECLARED ONLY FOR THE PURPOSE OF AVOIDING NATURAL OBSTACLES OR INABILITY TO SECURE SURFACE ACCESS PERMITS. AN AMENDED PERMIT REQUEST MUST BE FILED WITHIN 10 DAYS OF THE DECLARATION OF THE EMERGENCY.

This rule contains in the first sentence "other than a seismic shot hole" and has no further reference to a seismic shot hole. I believe it should. See definition of "well" in ARS 37-501-21 and ARS 27-543.

Authority ARS 27-513, definition of well 27,501.21.

A seismic shot hole is drilled in reach of stratigraphic information, but has not been previously regulated, permitted, or required to be plugged. This rule corrects the oversight.

R12-7-106. Identification of wells, PRODUCING LEASES, TANKS, REFINERIES,
STORAGE AND TRANSPORTATION FACILITIES.

- A. Each drilling, producing, DISPOSAL, or injection well SHALL BE MARKED in a conspicuous place with THE OWNER'S OR OPERATOR'S name, name of lease, number of well and legal description of the location of the well. THE OWNER OR OPERATOR shall take all necessary means and precautions to preserve these markings.
- B. EACH REFINERY AND EACH SEPARATELY LOCATED TANK, PLAN, STRUCTURE, OR STORAGE AND TRANSPORTATION FACILITY SHALL BE PLAINLY MARKED IN A CONSPICUOUS PLACE WITH THE OWNER'S OR OPERATOR'S NAME AND ADDRESS.

Comment: The present rule does not comply fully with ARS27-516. The resision proposed complies with requirements of the statute and in addition, removes sexist language.

R12-7-107- # 1 through 6 are unchanged.

When two or more separately owned tracts of land or SEPARATELY OWNED UNDIVIDED MINERAL INTERESTS IN A SINGLE TRACT OF LAND are embraced within an established drilling unit, persons owning the drilling rights therefrom may agree to pool their interests and develop their land as a drilling unit. In the event such persons do not agree to pool their interests the Commission may, for the prevention of waste for the protection of correlative rights, and to avoid the drilling of unnecessary wells, enter an order pooling and integrating their interests for the development of their land as a drilling unit. Orders and agreements effectuating such pooling shall be accomplished and executed as prescribed as ARS \S 27-505.

As private ownership of lands in Arizona changes hands, especially in situations where title is gained by inheritance, the problem of multiple ownership of undivided mineral interests will increase.

Adoption of this language will implement the statutes. (ARS 27-505, 27-531 through 27-539).

R12-7-108. Pit for Drilling Mud and Drill Cuttings.

- A. In order to assure a supply of drilling mud to confine oil, gas or water to its native stratum during the drilling of a well, operators shall provide, before drilling is commenced, an adequate pit either earthen or portable, for the drilling of mud or the accumulation of drill cuttings.
- B. PITS SHALL BE CONSTRUCTED IN SUCH A MANNER AS TO PREVENT DURING THE DRILLING, COMPLETION, AND PRODUCTIVE LIFE OF ANY WELL, DISCHARGE OF CONTENTS TO THE VADOSE ZONE, OR TO THE SURFACE OR GROUND WATER OF THE STATE. EARTHEN PITS SHALL BE LINED WITH AN IMPERVIOUS MATERIAL, SUCH AS A PLASTIC OF AT LEAST 30 MIL THICKNESS. PORTABLE TANKS MAY BE UTILIZED.
1. AN EMERGENCY PIT CONSTRUCTED SOLELY TO PREVENT ESCAPE OF ANY SUBSTANCE SHALL NOT BE CONSTRUCTED IN PERVIOUS SOIL UNLESS LINED WITH AN IMPERVIOUS MATERIAL SUCH AS PLASTIC OF AT LEAST 30 MIL THICKNESS.
 2. NO EARTHEN PIT SHALL BE CONSTRUCTED OR MAINTAINED SO AS TO RECEIVE OUTSIDE RUNOFF WATER AND THE FLUID LEVEL OF SUCH EARTHEN PIT SHALL BE MAINTAINED AT ALL TIMES AT LEAST 18 VERTICAL INCHES BELOW THE LOWEST POINT OF THE EMBANKMENT.
- C. ALL MATERIALS COLLECTED IN PITS SHALL BE REMOVED AND DISPOSED OF IN A LEGAL MANNER WITHIN 60 DAYS OF THE COMPLETION OF A WELL. ALL EARTHEN PITS SHALL BE FILLED IN AND LEVELLED WITHIN 60 DAYS OF COMPLETION OF A PRODUCING WELL AND IN ACCORD WITH R12-7-127 FOR ABANDONED WELLS.

Comment: The present, brief rule is out of date and does not provide adequate protection for the environment. The suggested new rule follows updated industry practice.

ARS 27-516.A.1.c.

AHS D of EQ

R12-7-110.

New Paragraph

- C. 1. BEFORE SETTING OF SURFACE CASING IN ANY WELL IS COMMENCED, OWNER OR OPERATOR THEREOF SHALL NOTIFY THE COMMISSION IN WRITING, OR FORM 25, OF THE INTENTION TO SET SUCH CASING. NOTICE SHALL BE DELIVERED TO THE COMMISSION AT LEAST 24 HOURS PRIOR TO THE TIME PROPOSED FOR THE OPERATION, TO ALLOW THE COMMISSION TIME TO SEND ITS DULY AUTHORIZED REPRESENTATIVE TO WITNESS THE SETTING AND CEMENTING OF THE CASING.
2. IN THE CASE OF AN EMERGENCY, THE APPLICATION MAY BE MADE ORALLY OR BY TELEPHONE OR TELEGRAPH AND THE COMMISSION MAY AUTHORIZE THE WORK IN THE SAME MANNER: HOWEVER ALL SUCH EMERGENCY NOTICES SHALL BE CONFIRMED IN WRITING ON FORM 25 WITHIN TEN DAYS AND THE COMMISSION SHALL CONFIRM THE EMERGENCY AUTHORIZATION IN WRITING.

Renumber old paragraph C through E as D. E. F.

R12-7-111.

- A. All wells drilled shall be completed with a string of casing that shall be properly cemented at a sufficient depth to protect adequately the oil or gas bearing stratus to be produced. ~~In addition, other~~ Casing shall be used to seal off all oil, gas and water strata that may be encountered in the well, except those to be produced.
- B. Unchanged.
- C. Unchanged.
- D. Unchanged.

Comment: This rule is unclear. It could be interpreted to require at least three strings of casing (as shown in the accompanying diagram 1-A), the surface casing, the "other" casing and the production casing.

On the other hand, it could be interpreted to mean a casing program as shown in 1-B, but not a program as shown in 1-C. Each of the casing programs accomplishes the requirement of ARS 27-516. A.1, 4, 6.

R12-7-123. PROCEDURES FOR IDENTIFICATION AND CONTROL OF WELL BORES ON WHICH LOGGING TOOLS HAVE BEEN ABANDONED.

- A. 1. IMMEDIATE NOTICE BY TELEPHONE, FOLLOWED BY WRITTEN NOTICE ON FORM 25 (TWO COPIES) OF THE LOSS OF A RADIOACTIVE SOURCE SHALL BE FILED BY THE OPERATOR WITH THE COMMISSION DESIGNATING THE LOCATION BY COUNTY, SECTION, TOWNSHIP AND RANGE, LEASE NAME, AND WELL NUMBER ON GIVING DIRECTIONS FOR ACCESS TO THE WELL. ONE COPY WILL BE FURNISHED TO ARIZONA RADIATION REGULATORY AGENCY.
2. NO RADIOACTIVE SOURCE SHALL BE DECLARED ABANDONED UNTIL ALL REASONABLE EFFORT HAS BEEN EXPENDED TO RETRIEVE THE TOOL.
3. THE OPERATOR SHALL ERECT, UNDER SUPERVISION OF THE COMMISSION, A STANDARDIZED PERMANENT MARKER AS A VISUAL WARNING TO ANY PERSON WHO MAY REENTER THE HOLE FOR ANY REASON SHOWING THAT IT CONTAINS A RADIOACTIVE SOURCE. THIS MARKER SHALL CONTAIN THE FOLLOWING INFORMATION: WELL NAME, SURFACE LOCATION, NAME OF THE OPERATOR, NAME OF THE LEASE, THE SOURCE OF MATERIAL ABANDONED IN THE WELL, THE TOTAL DEPTH OF THE WELL, THE DEPTH AT WHICH THE SOURCE IS ABANDONED, THE PLUG-BACK DEPTH THE DATE OF THE ABANDONMENT OF THE SOURCE, THE ACTIVITY OF THE SOURCE, AND A WARNING NOT TO DRILL BELOW THE PLUG-BACK DEPTH.
- B. 1. WELLS IN WHICH RADIOACTIVE SOURCES ARE ABANDONED SHALL BE MECHANICALLY EQUIPPED SO AS TO PREVENT EITHER ACCIDENTAL OR INTENTIONAL MECHANICAL DISINTEGRATION OF THE RADIOACTIVE SOURCE.
- a. SOURCES ABANDONED IN THE BOTTOM OF THE WELL SHALL BE COVERED WITH A SUBSTANTIAL STANDARD COLOR DYED (RED IRON OXIDE) CEMENT PLUG ON TOP OF WHICH AN APPROVED DEFLECTION DEVICE OR WHIPSTOCK SHALL BE SET. THE DYE IS TO ALERT THE REENTRY OPERATOR PRIOR TO ENCOUNTERING THE SOURCE.

R12-7-123, Cont.

- b. UPON ABANDONING THE WELL IN WHICH A LOGGING SOURCE HAS BEEN CEMENTED IN PLACE BEHIND A CASING STRING ABOVE TOTAL DEPTH, A STANDARD COLOR DYED CEMENT PLUG SHALL BE PLACED OPPOSITE THE ABANDONED SOURCE AND AN APPROVED DEFLECTION DEVICE OR WHIPSTOCK PLACED ON TOP OF THE PLUG.
 - c. IN THE EVENT THE OPERATOR FINDS THAT AFTER EXPENDING A REASONABLE EFFORT, BECAUSE OF HOLE CONDITIONS, IT IS NOT POSSIBLE TO ABANDON THE SOURCE AS PRESCRIBED IN (B) (1) (a) OR (B) (1) (b) ABOVE, HE SHALL SEEK COMMISSION APPROVAL TO AN ALTERNATE ABANDONMENT PROCEDURE.
(3-1-77)
 - d. WHEN A LOGGING SOURCE MUST BE ABANDONED IN A PRODUCING ZONE, A STANDARD COLOR DYED CEMENT PLUG SHALL BE SET AND AN APPROVED DEFLECTION DEVICE OR WHIPSTOCK PLACED ABOVE TO DIRECT THE SIDE-TRACK AT LEAST FIFTEEN (15) FEET AWAY FROM THE SOURCE.
2. UPON PERMANENT ABANDONMENT OF ANY WELL IN WHICH A RADIOACTIVE SOURCE IS LEFT IN THE HOLE, AND AFTER REMOVAL OF THE WELLHEAD, A PERMANENT PLAQUE SHALL BE ATTACHED TO THE TOP OF THE CASING LEFT IN THE HOLE IN SUCH A MANNER THAT REENTRY CANNOT BE ACCOMPLISHED WITHOUT DISTURBING THE PLAQUE. THIS PLAQUE SHALL SERVE AS A VISUAL WARNING TO ANY PERSON REENTERING THE HOLE THAT A RADIOACTIVE SOURCE HAS BEEN ABANDONED IN PLACE IN THE WELL. THE PLAQUE SHALL CONTAIN THE TREFOIL RADIATION SYMBOL WITH A RADIOACTIVE WARNING AND SHALL BE CONSTRUCTED OF A LONG-LASTING MATERIAL SUCH AS MONEL, STAINLESS STEEL, OR BRASS.
 - a. THE PLUGGING REPORT FILED WITH THE COMMISSION SHALL CONTAIN ALL THE INFORMATION REQUIRED BY PARAGRAPH (a) (3) ABOVE.
 3. THE COMMISSION WILL MAINTAIN A CURRENT LISTING OF ALL ABANDONED RADIOACTIVE SOURCE WELLS.

R12-7-123 Cont.

C. COMPLIANCE WITH RULES OF THE OIL AND GAS COMMISSION SHALL NOT
RELIEVE THE OPERATOR OF THE RESPONSIBILITY OF COMPLYING WITH RULES
AND REGULATIONS OF OTHER STATE AGENCIES OR OF FEDERAL AGENCIES.

R12-7-127.

A.1 through 6 unchanged.

7. The exact location of each abandoned well shall be marked by a piece of METAL pipe not less than 4 inches in diameter securely set in cement and extending at least 4 feet above the general ground level. A permanent sign of durable construction shall be welded or otherwise permanently attached to the pipe, and shall contain information required in Rule R-12-7-106.A. An abandoned well location on tilled land shall be marked in a manner approved by the Commission. Seismic shot holes are not required to be marked in any manner.

8. Unchanged.

B. Unchanged.

- C. 1. EVERY HOLE DRILLED FOR A SEISMIC SHOT HOLE SHALL BE PLUGGED UNLESS AUTHORIZATION TO THE CONTRARY HAS BEEN GIVEN BY THE COMMISSION.
- 2. ANY SEISMIC SHOT HOLE WHICH HAS NOT PENETRATED BELOW THE TOP OF A FRESH WATER FORMATION MAY BE PLUGGED BY FILLING TO WITHIN 6 TO 10 FEET OF THE SURFACE WITH NATIVE CUTTINGS OR AN APPROPRIATE SUBSTITUTE SUCH AS GRAVEL OR CLEAN FILL. A CEMENT PLUG AT LEAST 2 FEET THICK SHALL BE PLACED ON THE FILLING MATERIAL AND THE REMAINDER OF THE HOLE FILLED AND TAMPED WITH NATIVE CUTTINGS OR SOIL.
- 3. ANY SEISMIC SHOT HOLE WHICH HAS PENETRATED BELOW THE TOP OF A FRESH-WATER FORMATION SHALL BE PLUGGED AS FOLLOWS:
 - a. A CONTINUOUS CEMENT PLUG SHALL BE PLACED THROUGH ALL FRESH-WATER STRATA AND SHALL EXTEND AT LEAST 50 FEET BELOW AND 50 FEET ABOVE SAID STRATA, OR TO THE SURFACE WHICHEVER IS THE LESSER.
 - b. A CEMENT PLUG NOT LESS THAN 20 FEET IN LENGTH SHALL BE PLACED AT OR NEAR THE SURFACE OF THE GROUND IN EACH HOLE.
 - c. THE INTERVAL BETWEEN PLUGS SHALL BE FILLED WITH HEAVY DRILLING *mud*
 - d. THE METHOD OF PLACING CEMENT IN THE HOLE SHALL BE BY PUMPING THROUGH TUBING, PUMP AND PLUG, OR OTHER METHOD APPROVED BY THE COMMISSION.

R12-7-127. (Cont.)

- c. 3. e. ANY REMAINING SURFACE DEPRESSION SHALL BE FILLED AND TAMPED WITH NATIVE CUTTINGS OR SOIL.
- f. THE SITE SHALL BE RESTORED AS NEARLY AS PRACTICABLE TO NATURAL STATE. ALL PITS SHALL BE FILLED AND ALL EQUIPMENT AND DEBRIS SHALL BE REMOVED FROM THE LOCATION.

Comment 1: Old paragraph C is renumbered "D".

Comment 2: Previous rules have not included seismic shot holes. With their inclusion under revision to 12-7-103 and 12-7-104, the plugging requirement of ARS 27-516A:3 is met.

R12-7-128. Stratigraphic exploratory holes

- A. Any hole drilled for stratigraphic purposes must comply with all rules and regulations pertaining to the drilling of a well except those provisions of Rule R12-7-107, pertaining to spacing. Samples, cores AND LOGS shall be submitted within 30 days following the date of completion. If requested by the operator, the Commission may allow an additional six month period during which such information shall be kept confidential.
- B. Each hole drilled for stratigraphic exploratory purposes that penetrates below a fresh-water formation shall not be abandoned until the owner or driller plugs it ~~in-a-manner-that-will-seal-off-all~~ fresh-water-formations in ACCORDANCE WITH RULE 12-7-127.
- C. Within 30 days after plugging, a report on Form 10 (See Appendix 1) shall be filed with the Commission by the owner or driller setting forth in detail the method used to plug the hole.

Comments: Present rule does not fully comply with ARS 27-156.A.1.,2.
Old Section A omitted a requirement to submit logs.
Section B was somewhat unclear and left room for argument.
Revised language refers to exact procedure specified by rule.

R12-7-143 Correct typographical Error - Oil tanks and fire walls (not falls)

R12-7-176. Permit for Injection or Disposal.

- A. 1. The injection of any substance into any oil or gas reservoir to increase recovery is prohibited unless authorized by the Commission after notice and hearing. Not less than 15 days notice shall be given before a hearing is held for processing a permit for an injection or disposal well. A permit shall not be required, however, for substances utilized in formation fracturing, acidization or other well stimulation techniques whose physical effects are confined to an area near the well bore.
2. THE DISPOSAL OF ANY SUBSTANCE INTO ANY UNDERGROUND FORMATION IS PROHIBITED UNLESS AUTHORIZED BY THE COMMISSION AFTER NOTICE AND HEARING. NOT LESS THAN 30 DAYS NOTICE SHALL BE GIVEN BEFORE A HEARING IS HELD FOR PROCESSING A PERMIT FOR A DISPOSAL WELL.
- B. The application for a permit to inject OR DISPOSE OF any substance into any reservoir shall contain the following:
 1. Plat showing the location of the injection OR DISPOSAL well or wells, the location of all wells including drilling wells and dry holes, the names of the lessees within one-half mile of the injection well or wells, and each offset operator, AND PROOF TO THE SATISFACTION OF THE COMMISSION THAT ALL OPERATORS, LESSEES, AND SURFACE OWNERS WITHIN ONE HALF-MILE OF THE LOCATION OF THE PROPOSED LOCATION OF THE INJECTION OR DISPOSAL WELL HAVE BEEN NOTIFIED OF THE PROPOSED PROJECT AND OF THEIR RIGHT TO APPEAR AND BE HEARD AT THE HEARING, OR OF THEIR WAIVER OF RIGHT OF PROTEST.

R12-7-176. (Cont.)

- B. 2. The formation from which wells are producing or have produced.
3. The name, description, thickness and depth of the formations to be affected. ~~by-injection.~~
4. The log of the ~~injection~~ well or wells, or such information as may be available.
5. Description of the ~~injection~~ well's casing, or the proposed casing program, and the proposed method of testing casing before use of the injection wells.
6. Designation of the substance proposed to be used for the injection OR TO BE DISPOSED OF, analysis of the substance ~~to-be-injected~~, the source and the amount proposed to be injected OR DISPOSED OF daily.
7. The names and addresses of the operator or operators of the project.
8. The source and an analysis of the chemical, physical, radiological and biological characteristics of the ~~injection~~ fluid (Form 15, see Appendix 1).
9. Description of stimulation, if performed (Form 4, see Appendix 1).
10. Information showing that injection OR DISPOSAL into the proposed zone will not initiate fractures through the overlying strata which could enable the injection fluid or formation fluid to enter fresh-water strata.
 - a. When the fluid injection OR DISPOSAL rate is 1,000 barrels per day or less, or equivalent rate for any fraction of 24 hours, an overlying strata of at least 200 feet in thickness between the lowest base of fresh water and the top of the proposed interval of injection is considered sufficient evidence of fresh-water protection.
 - b. When the fluid injection OR DISPOSAL RATE is greater than 1,000 barrels per day, or equivalent rate for any fraction of 24 hours, an overlying strata of at least 500 feet in thickness between the lowest base of fresh water and the top of the proposed interval of injection is considered sufficient evidence of fresh-water protection.

R12-7-176. (Cont.)

- B. 10. c. If the thickness of the overlying strata is more than required in R12-7-176.B.10.a. or b., the Commission may, upon application, approve such injection after hearing if the Commission finds that such injection OR DISPOSAL will not initiate fractures through the overlying strata into fresh-water strata. The applicant shall have the burden of furnishing the Commission with such sworn evidence and data necessary to support such findings. The Commission shall consider maximum injection OR DISPOSAL rate, maximum surface injection fluid TYPE and the lithology and rock characteristics of the injection RECEIVING zone and overlying strata.
- C. The Commission upon application may exempt an aquifer from the requirements set forth in R12-7-176.B.10. after due notice and hearing. The application shall include sufficient engineering and hydrological data to justify the requested exemption. ~~Only aquifers approved for exemption by the appropriate agency of the State of Arizona may be exempt.~~ THIS EXEMPTION SHALL BE IN ADDITION TO, AND NOT IN LIEU OF PERMITS REQUIRED BY ANY OTHER STATE OR FEDERAL AGENCY.
- D. Application for enlargement of existing authorized underground/^{INJECTION OR}disposal sites shall include the following SAME KINDS OF INFORMATION REQUIRED FOR AN ORIGINAL APPLICATION.
1. ~~Precise identification of the geological formation to be used for proposed disposal purposes.~~
 2. ~~Geological and hydrological data in support of any proposed disposal well.~~

R12-7-176. (Cont.)

- D. 3. ~~Waivers from all operators and surface owners within one-half mile of any proposed disposal well or proof to the satisfaction of the Commission that such operators and surface owners were notified by the applicant of any proposed additional disposal well.~~
4. An application for enlargement of an existing authorized underground INJECTION OR disposal site may be approved by the Commission without hearing if no protest or request for hearing on such application is received within 20 days after the date of notification to operators and surface owners as referred to in B.10.c. of this Rule.

Authority ARS 27-876, 20.b.c.

The revision includes for the first time clear and specific reference to injection and to disposal wells. Injection wells for pressure maintenance must use the producing formation, while disposal wells may use any formation and must be checked somewhat more closely.

R12-7-177. Casing and cementing of INJECTION AND disposal wells

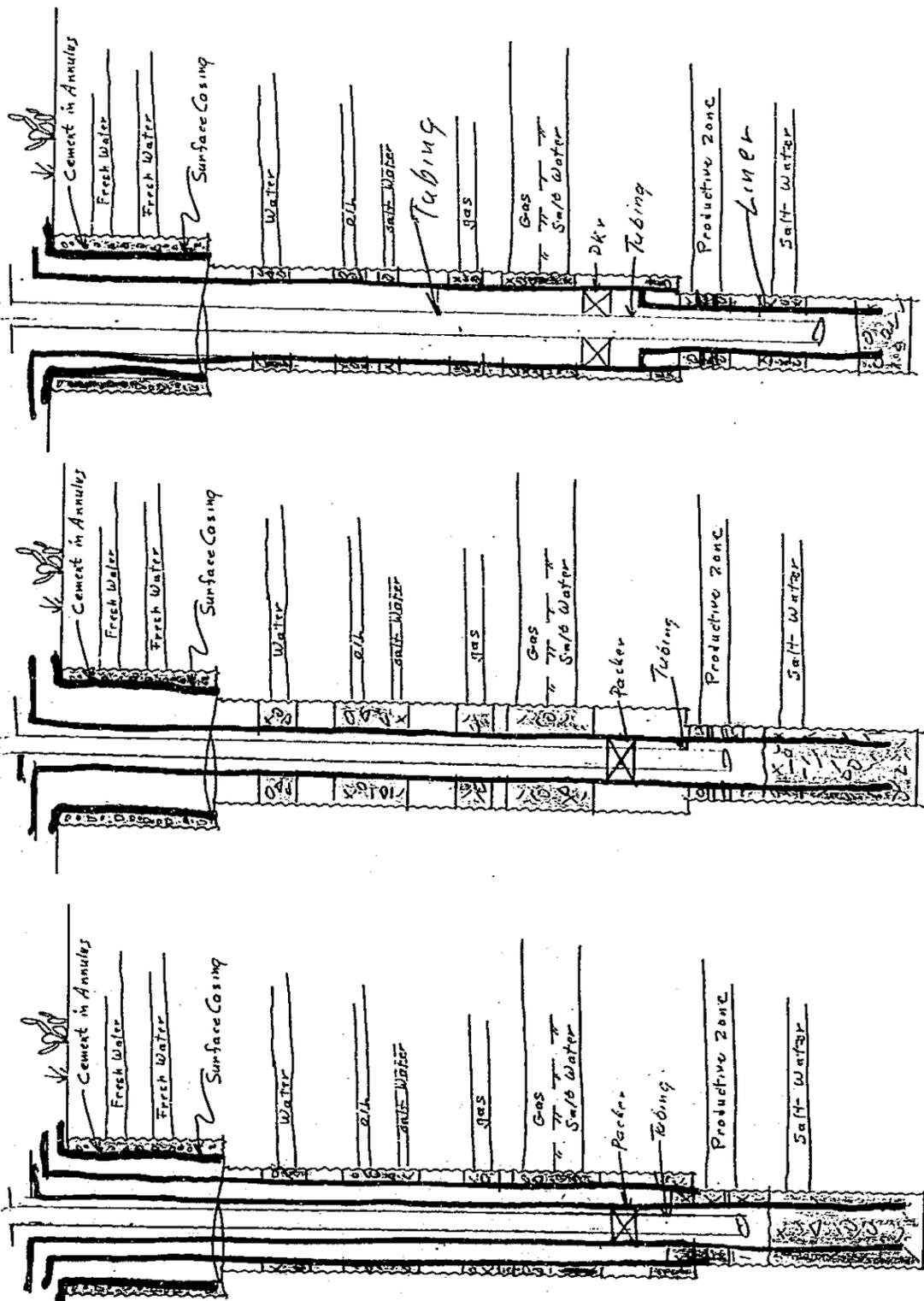
- A. Wells used for INJECTION OR disposal shall be cased with safe and adequate casing or tubing in order to prevent leakage. The casing or tubing shall be so set or cemented that damage will not be caused to oil, gas, or fresh water resources.
- B. Surface casing shall be pressure tested with a minimum of 600 psi for 30 minutes. If a drop of more than 10 per cent of the test pressure should occur, the casing shall be considered defective and corrective measures shall be applied. In wells drilled with cable tools, casing may be tested by bailing the well dry. The hole must remain satisfactorily dry for one hour before commencing further operations. Results of the above test and any remedial action shall be reported on Form 25 (see Appendix 1) within 20 days following the test.

Authority 27-516.20. Present text of rule does not mention disposal wells.

R12-7-178. Notice of commencement and discontinuance of injection and disposal operations

The following provisions apply to all injection OR DISPOSAL projects:

1. Immediately upon the commencement of injection operations, the operator shall notify the Commission of the commencement date.
2. Within 10 days after permanent discontinuance of injection operations, the operator shall notify the Commission of the date of such discontinuance and the reasons therefor.
3. Before any injection OR DISPOSAL well is plugged and abandoned, notice of intent (Form 9, see Appendix 1) shall be given to the Commission, and the same procedure shall be followed in the plugging and abandonment of the well as provided with respect to the plugging and abandonment of oil and gas wells (RULE R12-7-126 AND 12-7-127).
4. An INJECTION OR DISPOSAL well shall not be transferred from one operator to another without the approval of the Commission. The transfer of ownership of an INJECTION OR DISPOSAL well from one operator to another shall be filed with the Commission on a "Designation of Operator" form in triplicate, prior to the proposed



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 OCTOBER 1986
23,075 47	6011	1 Salaries: Staff	1 8,251 95
14,844 61	6057	2 Appointed Official	2 5,337 36
180 00	6058	3 Commission Members	3 90 00
	6081	4 Temporary Help	4
2,735 44	6111	5 Emp. Related: F.I.C.A.	5 976 14
1,731 24	6113	6 Health Insurance	6 494 64
184 80	6115	7 D&L Insurance	7 52 80
95 72	6117	8 Unemployment Insurance	8 34 75
143 78	6118	9 Dental Insurance	9 41 08
409 01	6119	10 Workmen's Comp	10 148 14
2,104 22	6155	11 Retirement	11 751 50
265 32	6183	12 Personnel	12 94 84
	6293	13 Prof. Serv.: Court Reporter	13
	6499	14 Cartographic Symbols	14
	6499	15 Cartographer	15
	6511	16 Travel-State: Air Fare	16
2 00	6531	17 Taxi	17
448 14	6541	18 Mileage-Private Vehicles	18
1,254 06	6551	19 Mileage-State Vehicles	19 587 35
	6569	20 Parking	20
	6569	21 Telephone	21
	6581	22 Subsistence	22
59 40	6582	23 Lodging	23
106 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
206 21	7036	37 Postage Stamps	37 66 00
210 00	7044	38 Telephone Service: ATS Service (WATS)	38 105 00
88 98	7045	39 Line Costs	39 43 14
92 43	7046	40 Station Equipment	40 46 26
45 86	7047	41 Toll Service	41 20 50
136 16	7048	42 Other	42 57 56
384 00	7066	43 Insurance (Risk Management)	43
5,380 81	7108	44 Office Rent	44 1,053 75
	7311	45 Printing	45
	7532	46 Furniture	46
	7532	47 Adder/Calculator	47
	7532	48 Reader/Printer	48
74 00	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
300 61	7625	54 Blue Prints/Office Supplies	54 172 46
4 00	7628	55 Printing Maps/Printing Misc.	55
		TOTAL	

OFFICE
AUDIT.

(DO NOT WRITE BELOW THIS LINE)
TVDEN.

FIELD
AUDIT.

AGENCY Oil & Gas Conservation Commission

-2-

DIVISION _____ IDENTIFICATION CODE NO. _____

1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF OCTOBER 1986
	7962	1 Revolving Fund	
6 50	7967	2 Books	
100 00	7971	3 Organization Dues	100 00
	7975	4 Registration Fees	
14 30	7997	5 Subscription; Newspaper	14 30
	7997	6 Technical Journal	
		7	
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54,786 82		TOTAL	18,538 42

OFFICE AUDIT:

(DO NOT WRITE BELOW THIS LINE)
TYPED:

FIELD AUDIT:

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF OCTOBER 1986	2 CLASSIFICATION	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
	1 Permits to Drill			4,152 00
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	17			
	TOTAL CURRENT MONTH RECEIPTS		50 00	XXXXXXXX
	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD		4152 00	XXXXXXXX
	TOTALS - MONTH AND YEAR TO DATE		4202 00	

6 CLAIMS PAID MONTH OF OCTOBER 1986	7 FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
13,679 31	1 Personal Services	127,300 00	35,200 05		89,099 92
2,593 29	2 Emp. Related Exp.	29,900 00	7,670 03		22,229 97
	3 Professional Services	400 00			400 00
587 35	4 Travel - State	9,800 00	1,869 60		7,930 40
	5 Travel - Out of State	500 00			500 00
1,678 47	6 Other Operating Exp.	21,100 00	7,047 11		14,052 89
	7 Capital Outlay-Equipment				
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18,538 42	TOTALS	189,000 00	54,786 82		134,213 18

