

OIL & GAS CONSERVATION COMMISSION
Meeting: November 6, 1987
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

November 6, 1987

3110 N. 19th Ave., Suite 190
Phoenix, Arizona 85015

10:00 A.M.

Call to Order

1. Public Hearing:
Request by Cal Gas Corporation
to Drill a Deviated Hole at
Their Facility in Glendale
2. Approval of Minutes of Meeting
of August 21, 1987
3. Report of Executive Director
Daniel J. Brennan
4. Report of Enforcement Section
R. A. Ybarra
5. Call to the Public
6. 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
August 21, 1987

Present:

Dr. J. Dale Nations, Chairman
Mr. Archie Roy Bennett, Member
Mrs. Mary Ann Niccoli, Member
Mrs. Jan C. Wilt, Member
Dr. Daniel J. Brennan, Executive Director
Mr. Rudy A. Ybarra, Enforcement Director

The regular Commission Meeting of August 21, 1987 was called to order by Dr. J. Dale Nations, Chairman, at 10:02 A.M. in the Commission's office.

APPROVAL OF MINUTES OF MEETING OF MAY 15, 1987

A motion was made by Mrs. Wilt and seconded by Mrs. Niccoli:

THAT THE MINUTES OF THE REGULAR MEETING OF MAY
15, 1987 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. He reported that Petroleum Technical Services spudded its first well this week in the Yuma area. Dr. Brennan advised that Gordon LeBlanc, an oil operator in Louisiana, plans to drill several wells this coming year in the Four Corners area. He suggested getting a dedicated word processor instead of another typewriter. The estimated purchase price would be less than \$1,000.00. Dr. Brennan explained that Arizona Public Service is to donate well records of oil and gas wells to the Commission. He will write to them advising of their worth to the Commission. Dr. Brennan gave an explanation of injection wells noted in his Activity Report.

REPORT OF ENFORCEMENT SECTION

Mr. R. A. Ybarra, Enforcement Director, reviewed his Activity Report previously sent to the Commissioners and made a part of these minutes.

Minutes of Meeting
August 21, 1987
Page - 2 -

Mr. Ybarra reviewed a memo of his regarding testing of Cal Gas' wells. They are to drill three 400' holes and set 5-1/2" casing; they are getting vacuum pumps and drilling 22 shallow holes throughout the property and will monitor them. Dr. Brennan and Mr. Ybarra are to meet with Cal Gas on September 3, 1987.

Mr. Ybarra advised that testing of BOP equipment was done this week in Yuma by Petroleum Technical Services. The operator is drilling ahead. Mr. Ybarra displayed a new cover for the Well Location Map Four, and advised that the maps have been brought up-to-date and are at the printer for finalizing.

REQUEST FOR EXTENSION OF TEMPORARY ABANDONMENT PERIOD BY
CAM-ROY RESEARCH CORPORATION

Mr. Ralph Pomeroy requested another extension of time due to problems of title of the property in Higley regarding the geothermal wells. Mr. Rex Wisheart, formerly with Prudential-Bache, and now associated with Mr. Pomeroy, explained that he had been served with a quiet title action. There is a possibility of getting permission from the court to examine the condition of the wells as they might have to be plugged. Pomeroy has funds available for this purpose if necessary. Mr. John Feegan, of the Attorney General's office, will get further information to assist the Commission in this endeavor. Mr. Pomeroy advised that financing is in place, and adjacent property is being acquired. Mr. Ybarra explained of possible corrosion problems if the wells remain unplugged.

Following this discussion, Mrs. Wilt moved and Mr. Bennett seconded:

THAT THE EXTENSION OF THE TEMPORARY ABANDONMENT
BE FOR SIX MONTHS WITH A REQUEST THAT THE COURT
ALLOW TESTING BEFORE WE CONSIDER FURTHER EXTENSION
OF THE TEMPORARY ABANDONMENT.

Motion carried unanimously. Dr. Brennan is to write to a judge or the court stating our concerns for the testing.

CONSIDERATION OF FY '89 BUDGET REQUEST

After the review of the budget request for 1989 by Dr. Brennan, it was suggested that an additional \$500.00 be listed to buy technical manuals. The total request is \$195,300.00 for the '89 budget.

Dr. Nations suggested that Dr. Brennan contact the governor's office regarding the out-of-state travel representative. Dr. Nations advised that an invitation was extended to the IOCC to meet in December 1988 in Arizona.

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

THAT THE BUDGET BE APPROVED AS AMENDED.

Motion carried unanimously.

Dr. Nations encouraged Dr. Brennan to prepare a paper for the next annual AAPG Meeting in San Antonio.

REQUEST FOR APPROVAL OF EFFORT TO AUTHORIZE A PUBLICATION
REVOLVING FUND

Following a discussion to establish a publication revolving fund, a motion was made by Mrs. Wilt and seconded by Mrs. Niccoli:

THAT A REQUEST BE MADE TO THE LEGISLATURE FOR
APPROVAL OF A REVOLVING PUBLICATION FUND.

Motion carried unanimously.

DISCUSSION OF REVIEW AND REVISION OF RULES

Dr. Brennan discussed the revision of the Rules of the Commission. Approximately 15 Rules are to be changed. There is a mandate to do this every five years.

CALL TO THE PUBLIC

Dr. Fellows, state geologist, of the Geological Survey Branch in Tucson advised this is the last year to be a part of the University of Arizona. It will then become an official state agency.

The next meeting is tentatively set for October 15 or 16 and possibly in Yuma depending on the progress of the well drilling of Petroleum Technical Services. Mr. Ybarra will arrange a trip to the Cerro Prieto geothermal plant which is 45 km south of Mexicali.

At the request of Dr. Nations, Dr. Brennan will check into the election of a chairman for the Commission.

ADJOURNMENT

A motion was made by Mrs. Wilt and seconded by Mrs. Niccoli:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 11:46 A.M.

APPROVED

J. Dale Nations

Dr. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE:

John Feegan
Larry Fellows

Ralph Pomeroy

Rex Wischart

Cyril Young

Attorney General's Office
Bureau of Geology and
Mineral Technology
Cam-Roy Research and
Development Corporation
Cam-Roy Research and
Development Corporation
State Land Department



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

October 23, 1987

ACTIVITY REPORT

Daniel J. Brennan
Executive Director *DJB*

We have submitted our Fiscal Year 1989 Budget request after making some minor changes and arithmetic corrections. The budget request was sent in before the September 1 deadline.

Our secretary has resigned and Lois Rogers who worked here previously will be coming back effective October 26.

The 1987 Convention of the Geological Society of America will be held in Phoenix, October 25 to 29. I have been involved in hiring rental vehicles for many of the field trips to be held in connection with the meeting. We are expecting up to 4,000 people to attend this convention, which makes it a large convention for Phoenix.

The Department of Environmental Quality is initiating an effort to achieve State primacy on the matter of underground injection wells. We have had some preliminary meetings with them. The plan is to keep supervision of oil-and gas-related injection wells in the Oil and Gas Commission.

I have contacted legislators in both the House of Representatives and the Senate who have agreed to sponsor a bill to establish a Publication Revolving Fund for the Oil and Gas Commission. I have contacted the Governor's Office and received encouragement there as well.

GSA, 5200+ negotiable

Expt Bookcases + typewriter.

Inquiries - numerous w/ regard to Yuma Area.

St John's oil, Geo Museum Pomeroy.

Rules A.P.S

Refinery



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

September 24, 1987

ACTIVITY REPORT

R. A. Ybarra *RY*
Enforcement Director

On September 3, Dan and I, along with representatives from Department of Environmental Quality and Attorney General's Office, met with a group from Cal Gas to review the status of the propane leak incident at the Cal Gas Storage Facility in Glendale and to discuss the forthcoming drilling of a new well, taking into consideration all prudent precautions, including but not limited to, well design, corrosion problems, and land subsidence. A subsidence monitoring program similar to that planned for the neighboring Southwest Salt project was discussed.

On this same day, I attended a meeting called together by Water Resources Associates, Inc., as contractor for the Department of Water Resources, to conduct a study of several state agencies and commissions that may have some authority to regulate various aspects of water quality or whose activities may affect water quality. This study's aim is to identify opportunities for cooperative efforts between the various agencies and commissions and to provide better protection to the waters of the state.

At our last meeting, I reported that Petroleum Technical Services Company had spudded Well No. 4-1 Federal on August 17, the first of two wells to be drilled in the Yuma area. On August 26, I witnessed cementing of the 10 3/4" casing at 3116' with 1700 sacks of cement. An additional 50 sacks of cement were pumped in from the surface through 1" pipe hanging at 86', and filling to the surface. I also witnessed the installation and testing of the blowout prevention equipment prior to drilling ahead below 3116'. A 9 7/8" hole was drilled to 7000'. Volcanics were penetrated from 6300' all the way to total depth so the operator decided to plug the hole. The hole was logged and on September 12, I witnessed the placement of cement plugs 5100'-5005' and 3160'-2965'. After removal of the BOP stack a 40-foot cement plug was placed at the surface.

The second well, No. 26-1 Federal, started drilling on September 22 and, as of September 23, the operator was preparing to cement 16" conductor casing at 315'.

AGENCY Oil & Gas Conservation Commission

DIVISION _____

IDENTIFICATION CODE NO. _____

1		2		3		4		
CLAIMS PAID YEAR TO DATE 1987-1988		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION			CLAIMS PAID MONTH OF OCTOBER 1987		
22,916	11	6011	1	Salaries: Staff	1	7,587	28	
15,646	42	6057	2	Appointed Official	2	5,653	33	
60	00	6058	3	Commission Members	3			
		6081	4	Temporary Help	4			
2,729	28	6111	5	Emp. Related: F.I.C.A.	5	934	30	
1,520	78	6113	6	Health Insurance	6	401	48	
204	66	6115	7	D&L Insurance	7	53	06	
77	32	6117	8	Unemployment Insurance	8	26	51	
147	99	6118	9	Dental Insurance	9	33	29	
320	50	6119	10	Workmen's Comp	10	112	38	
1,542	47	6155	11	Retirement	11	530	09	
286	52	6183	12	Personnel	12	98	08	
		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; parking	17			
217	78	6541	18	Mileage-Private Vehicles	18			
830	01	6551	19	Mileage-State Vehicles	19	270	00	
		6582	20	Lodging	20			
108	80	6583	21	Per Diem	21	44	00	
		6595	22	Telephone	22			
		6599	23	Other	23			
		6611	24	Travel-Out of State: Air Fare	24			
		6631	25	Taxi/Rail	25			
		6639	26	Other (Public transport.)	26			
		6641	27	Personal Auto	27			
		6651	28	Motor Pool	28			
		6669	29	Other (Nonpub. transport.)	29			
		6682	30	Lodging	30			
		6683	31	Per Diem	31			
		6699	32	Other	32			
85	78	7019	33	Legal Advertising	33			
		7036	34	Postage Stamps	34			
365	40	7044	35	Telephone Service: ATS Service (WATS)	35	121	80	
228	15	7045	36	Line Costs	36	76	05	
		7046	37	Station Equipment	37			
99	42	7047	38	Toll Service	38	38	22	
144	44	7048	39	Other	39	48	29	
677	00	7066	40	Insurance (Risk Management)	40			
5,624	47	7108	41	Office Rent	41	1,211	24	
		7311	42	Printing	42			
		7532	43	Furniture (Maintenance Noncontract)	43			
		7532	44	Adder/Calculator (Maintenance Noncontract)	44			
		7532	45	Reader/Printer (Maintenance Noncontract)	45			
		7553	46	Typewriter (Maintenance Contract)	46			
		7553	47	Copy Machine (Maintenance Contract)	47			
		7583	48	Computer Equipment - Other	48			
		7621	49	Stationery/Envelopes	49			
		7623	50	Printed Forms	50			
		7624	51	Reproduction Supplies	51			
395	91	7625	52	Blue Prints/Office Supplies	52	170	90	
		7628	53	Printing Maps	53			
		7628	54	Printing Misc.	54			
		7962	55	Revolving Fund	55			
			TOTAL					

OFFICE AUDIT:

(DO NOT WRITE BELOW THIS LINE)
TYPED:

FIELD AUDIT:

AGENCY Oil & Gas Conservation Commission

DIVISION _____

IDENTIFICATION CODE NO. _____

1	2	3	4
CLAIMS PAID YEAR TO DATE 1987-1988	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF OCTOBER 1987
	7967	1 Books	1
	7971	2 Organization Dues	2
	7975	3 Registration Fees	3
28 60	7997	4 Subscription; Newspaper	4 14 30
	7997	5 Technical Journal	5
29 95	7999	6 Other	6
503 36	8483	7 Office Equipment	7 503 36
		8	8
		9	9
		10	10
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		12	12
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		55	55
5479032		TOTAL	17,940.06

OFFICE
AUDIT:

(DO NOT WRITE BELOW THIS LINE)
TYPED:

FIELD
AUDIT:

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF OCTOBER 1987	2 CLASSIFICATION	3 RECEIPTS	4 APPROPRIATED RECEIPTS	5 UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
	1 Permits to Drill				4,227 00
	2				
	3				
	4				
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	10				
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	14				
	15				
	16				
	17				
	TOTAL CURRENT MONTH RECEIPTS				XXXXXX
	TRANSFERS IN				
XXXXXX	BALANCES BROUGHT FORWARD				XXXXXX
	TOTALS - MONTH AND YEAR TO DATE			4,227 00	

6 CLAIMS PAID MONTH OF OCTOBER 1987	7 FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
13,253 61	1 Personal Services	128,400 00	38,622 53		89,777 47
2,189 19	2 Emp. Related Exp.	24,900 00	6,829 52		18,070 48
	3 Professional Services	400 00			400 00
314 00	4 Travel - State	7,500 00	1,155 79		6,344 21
	5 Travel - Out of State	600 00			600 00
1,680 90	6 Other Operating Exp.	24,500 00	7,679 12		16,820 88
503 36	7 Capital Outlay-Equipment	1,600 00	503 36		1,096 64
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	30				
17,940 06	TOTALS	189,900 00	54,790 32		133,109 68

AGENCY Oil & Gas Conservation Commission

-1-

DIVISION _____ IDENTIFICATION CODE NO. _____

1		2		3		4	
CLAIMS PAID YEAR TO DATE 1987-1988		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION		CLAIMS PAID MONTH OF SEPT. 1987		
15,518	83	6011	1	Salaries: Staff	1	5,780 68	
4,991	09	6057	2	Appointed Official	2	3,770 22	
60	00	6058	3	Commission Members	3	60 00	
		6081	4	Temporary Help	4		
1,194	98	6111	5	Emp. Related: F.I.C.A.	5	671 82	
1,119	30	6113	6	Health Insurance	6	447 72	
151	60	6115	7	D&L Insurance	7	60 64	
50	81	6117	8	Unemployment Insurance	8	19 18	
114	70	6118	9	Dental Insurance	9	45 88	
308	12	6119	10	Workmen's Comp	10	77 08	
1,012	38	6155	11	Retirement	11	382 02	
188	44	6183	12	Personnel	12	71 43	
		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; parking	17		
217	78	6541	18	Mileage-Private Vehicles	18	96 60	
560	01	6551	19	Mileage-State Vehicles	19	284 01	
		6582	20	Lodging	20		
64	00	6583	21	Per Diem	21	15 00	
		6595	22	Telephone	22		
		6599	23	Other	23		
		6611	24	Travel-Out of State: Air Fare	24		
		6631	25	Taxi/Rail	25		
		6639	26	Other (Public transport.)	26		
		6641	27	Personal Auto	27		
		6651	28	Motor Pool	28		
		6669	29	Other (Nonpub. transport.)	29		
		6682	30	Lodging	30		
		6683	31	Per Diem	31		
		6699	32	Other	32		
85	78	7019	33	Legal Advertising	33	69 14	
		7036	34	Postage Stamps	34		
243	60	7044	35	Telephone Service: ATS Service (WATS)	35	121 80	
152	10	7045	36	Line Costs	36	76 05	
		7046	37	Station Equipment	37		
61	20	7047	38	Toll Service	38	38 40	
96	05	7048	39	Other	39	48 17	
677	00	7066	40	Insurance (Risk Management)	40		
4,413	23	7108	41	Office Rent	41	1,211 24	
		7311	42	Printing	42		
		7532	43	Furniture (Maintenance Noncontract)	43		
		7532	44	Adder/Calculator (Maintenance Noncontract)	44		
		7532	45	Reader/Printer (Maintenance Noncontract)	45		
		7553	46	Typewriter (Maintenance Contract)	46		
		7553	47	Copy Machine (Maintenance Contract)	47		
		7583	48	Computer Equipment - Other	48		
		7621	49	Stationery/Envelopes	49		
		7623	50	Printed Forms	50		
		7624	51	Reproduction Supplies	51		
225	01	7625	52	Blue Prints/Office Supplies	52	24 30	
		7628	53	Printing Maps	53		
		7628	54	Printing Misc.	54		
		7962	55	Revolving Fund	55		
				TOTAL			

OFFICE AUDIT:

(DO NOT WRITE BELOW THIS LINE)
TYPED:

FIELD AUDIT:

AGENCY Oil & Gas Conservation Commission

-2-

DIVISION _____ IDENTIFICATION CODE NO. _____

1	2	3	4
CLAIMS PAID YEAR TO DATE 1987-1988	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF SEPT. 1987
	7967	1 Books	1
	7971	2 Organization Dues	2
	7975	3 Registration Fees	3
14	7997	4 Subscription; Newspaper	4
	7997	5 Technical Journal	5
29	7999	6 Other	6
		7	7
		8	8
		9	9
		10	10
		11	11
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36,850	26	TOTAL	13,371 38

OFFICE
AUDIT:

(DO NOT WRITE BELOW THIS LINE)
TYPED:

FIELD
AUDIT:

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF SEPT. 1987	2 RECEIPTS CLASSIFICATION	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
	1 Permits to Drill			4,277 00
	2			
	3			
	4			
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	11			
	12			
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	14			
	15			
	16			
	17			
	TOTAL CURRENT MONTH RECEIPTS			XXXXXX
	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD		4,277 00	XXXXXX
	TOTALS - MONTH AND YEAR TO DATE		4,277 00	

6 CLAIMS PAID MONTH OF SEPT. 1987	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
9,610 90	1 Personal Services	128,400 00	25,369 92		103,030 08
1,115 77	2 Emp. Related Exp.	24,900 00	4,640 33		20,259 67
-	3 Professional Services	400 00	-		400 00
395 61	4 Travel - State	7,500 00	841 79		6,658 21
-	5 Travel - Out of State	600 00	-		600 00
1,589 10	6 Other Operating Exp.	24,500 00	5,998 82		18,501 78
-	7 Capital Outlay-Equipment	1,600 00	-		1,600 00
	8				
	9				
	10				
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13,311 38	TOTALS	187,900 00	36,850 26		151,049 74

