

OIL & GAS CONSERVATION COMMISSION
Meeting: July 16, 1988
Dr. Daniel J. Brennan, Exec. Dir.

REVISED



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

**NOTICE OF COMBINED PUBLIC MEETING
AND EXECUTIVE SESSION OF
OIL AND GAS CONSERVATION COMMISSION**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Oil and Gas Conservation Commission and to the general public that the Oil and Gas Conservation Commission will hold a meeting open to the public on July 14, 1988 at 1:00 P.M. at 3110 North 19th Avenue, Suite 190, Phoenix, Arizona 85015. As indicated in the agenda, the Oil and Gas Conservation Commission may vote to go into executive session which will not be open to the public to discuss certain matters.

The agenda for the meeting is as follows:


1. Call to Order
2. Approval of Minutes of Meeting of May 20, 1988
3. Executive Session Agenda. Consult with the Commission's Attorney on Lawsuit Cam-Roy Research Corporation vs. Oil and Gas Conservation Commission of the State of Arizona and instruct him on how the Commission wishes him to proceed in the lawsuit.
4. Report of Executive Director
5. Report of Enforcement Director
6. Adjournment

The Oil and Gas Conservation Commission may vote to go into executive session (pursuant to A.R.S. § 38-431.03.A.4) which will not be open to the public to consult with its attorney and instruct him on how to proceed with regard to a lawsuit.

The public will be afforded an opportunity to comment on any item on the agenda; however, at the beginning of the meeting, the Commission may vote to set a time limit on individual comments.

DATED THIS fifth day of July 1988.

OIL AND GAS CONSERVATION COMMISSION


Daniel J. Brennan
Executive Director



Oil and Gas Conservation Commission

STATE OF ARIZONA

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The agenda for the meeting is as follows:


1. Call to Order
2. Approval of Minutes of Meeting of May 20, 1988
3. Discussion of Lawsuit Cam-Roy Research Corporation vs. Oil and Gas Conservation Commission of the State of Arizona
4. Report of Executive Director
5. Report of Enforcement Director
6. Adjournment

The Oil and Gas Conservation Commission may vote to go into executive session (pursuant to A.R.S. § 38-431.03.A.3) which will not be open to the public to consult with its attorney and receive legal advice with respect to a regular agenda item listed on this agenda.

The public will be afforded an opportunity to comment on any item on the agenda; however, at the beginning of the meeting, the Commission may vote to set a time limit on individual comments.

DATED THIS 1st day of July 1988.

OIL AND GAS CONSERVATION COMMISSION


Daniel J. Brennan
Executive Director

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
May 20, 1988

Present:

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

The regular Commission Meeting of May 20, 1988 was called to order by Dr. J. Dale Nations, Chairman, at 10:45 A.M. in the Commission's office.

APPROVAL OF MINUTES OF MEETING OF MARCH 18, 1988.

Mrs. Wilt moved and Mrs. Niccoli seconded:

THAT THE MINUTES OF THE MEETING OF MARCH 18, 1988
BE ACCEPTED AS PRESENTED.

Motion carried unanimously.

REPORT OF EXECUTIVE DIRECTOR

The Activity Report of Dr. Brennan was sent to the Commissioners, and has been made a part of these minutes. The Governor's Regulatory Review Council will be expecting rewritten rules by September. Dr. Brennan will be working with the legislators to get revisions of the oil, gas and geothermal laws sometime this summer. A 1988 Celebrity car has been assigned to the Commission. Approval for undercover status has been given, and the state signs on the car will be removed. A bill has been signed by the Governor enabling the Commission to set up a Printing Revolving Fund. Many telephone inquiries have been received recently regarding salt, and reworking of wells in the Black Rock area. At the request of the Commissioners, Dr. Brennan is to develop an itinerary to tour the well locations on the Indian Reservations tentatively in September 1988. The Mini-Grace Commission has made recommendations to the Legislature concerning the Oil and Gas Conservation Commission to eliminate the position of the Enforcement Director and be involved in a merger with another department. The Commissioners agreed to contact their respective senators in opposition to this recommendation.

Minutes of Meeting
May 20, 1988
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REPORT OF ENFORCEMENT DIRECTOR

The Activity Report of Mr. Ybarra was sent to the Commissioners, and has been made a part of these minutes. July, 1988 is the date set for the operations of Cal Gas in Glendale. Mr. Ybarra reported on the annual inspection that Dr. Brennan and he did on the Indian Reservation and at Adamana in the northeastern part of the state from May 9 to May 13, 1988. Mr. Ybarra advised that Bob James Drilling filed an application to drill an oil well in the Litchfield Park area, and the work should begin next week.

The next meeting was set for July 15, 1988.

ADJOURNMENT

Mrs. Wilt moved, seconded by Mr. Bennett:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 11:30 A.M.

APPROVED

Dale Nations
Dr. J. Dale Nations
Chairman



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

July 1, 1988

ACTIVITY REPORT

Daniel J. Brennan
Executive Director

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

Senate Bill 1024 setting up an Oil and Gas Publication Revolving fund has been signed by the Governor. This bill was sponsored by Senators Todd (Tempe) and Hays (Yarnell) and Representative Hawke (Tucson).

Since the last meeting, I have submitted the Annual Report on Drilling Activity in the Four Corners-Intermountain Area for publication in the Bulletin of the American Association of Petroleum Geologists. In addition, Sam Thompson III of the New Mexico Bureau of Mines and Mineral Resources and I have completed a brief article on deep wells in Southern Arizona and New Mexico to be used in a guidebook in conjunction with the 28th International Geological Congress to be held in the U.S. in 1989.

Rudy Ybarra and I have both been busy working on revision of our Oil and Gas Rules. We will be including, by reference, parts of Federal Rules on Injection Wells and certain applicable API standards, which should help keep the rules down to a manageable size.

I inspected the plugging of Kerr McGee Navajo E 1 at Dineh-bi-Keyah Field. This was an unused disposal well so they decided to plug it. Kerr McGee is testing several temporarily abandoned gas wells on the fringe of the field to determine their capacity and gas content.

We understand the legislature has passed our budget essentially as proposed (including the underfilling of Rudy's job), but we have not yet had a detailed look at what they did.



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

ACTIVITY REPORT

June 28, 1988

R. A. Ybarra
Enforcement Director

During this report period Bob James Drilling & Exploration Co. spudded well # 1-19 Suncor in Section 19, T.2N., R.1W., in the Litchfield Park area, Maricopa County. Drilling started on June 1 and on June 8 8 5/8", 24 lb., J-55 casing was cemented at 1866' with 827 sacks of cement and also through a stage collar at 591' with sufficient cement (270 sacks) to fill the annular space to the surface. Prior to drilling ahead below 1866' I witnessed the installation and complete testing of the blowout prevention equipment. A 7 7/8" hole was then drilled to 4000 ft., where it was logged before plugging back from 2010' to 1650'. Salt was encountered from 1720' to 4000'. The landowner plans to complete the well as a water well.

Gal Gas requested a second extension on the drilling permit to drill replacement well # 1A Roach-Baker at the Glendale gas storage facility. The reason for the request is because the wellhead for this well cannot be delivered until September. Hopefully they can get started in mid-October.

Since this is my last report before I retire at the end of August, I want each one of you Commissioners to know that it has been a pleasure working for you these past few years. Good luck to all of you.

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 JUNE 1988	
71,592	59	6011	1	Salaries: Staff	1	5,697	16
41,693	29	6057	2	Appointed Official	2	3,170	22
360	00	6058	3	Commission Members	3	60	00
		6081	4	Temporary Help	4		
8,226	04	6111	5	Emp. Related: F.I.C.A.	5	691	13
5,767	82	6113	6	Health Insurance	6	530	88
659	18	6115	7	D&L Insurance	7	60	64
238	79	6117	8	Unemployment Insurance	8	18	94
386	71	6118	9	Dental Insurance	9	29	84
971	71	6119	10	Workmen's Comp	10	76	46
4,771	27	6155	11	Retirement	11	378	68
886	09	6183	12	Personnel	12	70	50
121	00	6293	13	Prof. Serv.: Court Reporter	13		
		6499	14	Cartographic Symbols	14		
		6499	15	Cartographer	15		
108	00	6511	16	Travel-State: Air Fare	16		
12	50	6531	17	Taxi; parking	17		
917	78	6541	18	Mileage-Private Vehicles	18	26	80
3,066	83	6551	19	Mileage-State Vehicles	19	591	17
499	87	6582	20	Lodging	20	108	15
461	00	6583	21	Per Diem	21	79	00
5	13	6595	22	Telephone	22		
28	62	6599	23	Other	23		
569	00	6611	24	Travel-Out of State: Air Fare	24		
10	00	6631	25	Taxi; rail	25		
		6639	26	Other (Public transport.)	26		
		6641	27	Personal Auto	27		
357	60	6682	28	Lodging	28		
118	00	6683	29	Per Diem	29		
1	50	6695	30	Telephone	30		
		6699	31	Other	31		
194	30	7019	32	Legal Advertising	32	40	00
302	48	7036	33	Postage Stamps	33	91	50
1,339	80	7044	34	Telephone Service: ATS Service (WATS)	34	121	80
840	54	7045	35	Line Costs	35	75	24
		7046	36	Station Equipment	36		
229	70	7047	37	Toll Service	37	13	41
571	16	7048	38	Other	38	44	89
12	23	7049	39	Other Operating: Other	39		
677	00	7066	40	Insurance (Risk Management)	40		
14,107	75	7108	41	Office Rent	41	2,424	78
69	14	7311	42	Printing	42		
30	00	7532	43	Furniture (Maintenance Noncontract)	43	30	00
		7532	44	Adder/Calculator (Maintenance Noncontract)	44		
		7532	45	Reader/Printer (Maintenance Noncontract)	45		
92	00	7553	46	Typewriter (Maintenance Contract)	46		
		7553	47	Copy Machine (Maintenance Contract)	47		
35	00	7583	48	Computer Equipment - Other	48	35	00
		7586	49	Drafting Supplies	49		
		7621	50	Stationery/Envelopes	50		
		7623	51	Printed Forms	51		
		7624	52	Reproduction Supplies	52		
1,201	84	7625	53	Blue Prints/Office Supplies	53	218	75
		7628	54	Printing Maps	54		
		7628	55	Printing Misc.	55		
				TOTAL			

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 JUNE 19 88			
	7962	1	Revolving Fund	1			
2,048	00	7971	2 Organization Dues	2	48	00	
10	00	7973	3 Education and Training	3			
150	00	7975	4 Registration Fees	4			
107	16	7997	5 Subscription; Newspaper	5	28	00	
79	00	7997	6 Technical Journal	6	30	00	
35	75	7999	7 Other	7			
1,658	86	8483	8 Office Equipment	8			
7	45	7539	9 Other	9	7	45	
34	68	7595	10 Field Supplies	10	34	68	
201	00	6598	11 Cash advance	11	201	00	
205	76	7586	12 Draft supplies	12	28	09	
117	13	7655	13 Tires	13	117	13	
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172,49	39	TOTAL			15,829	23	

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF JUNE 1988	2 CLASSIFICATION	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
	1 Permits to Drill			4,327 00
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	3			
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	5			
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	7			
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	9			
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	12			
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	14			
	15			
	16			
	17			
	TOTAL CURRENT MONTH RECEIPTS			XXXXXX
	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD	4,327 00		XXXXXX
	TOTALS - MONTH AND YEAR TO DATE	4,327 00		

6 CLAIMS PAID MONTH OF JUNE 1988	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
9,527 38	1 Personal Services	127,500 00	119,645 82		7,854 18
1,857 07	2 Emp. Related Exp.	24,900 00	21,938 21		2,961 79
	3 Professional Services	400 00	121 00		279 00
1,006 12	4 Travel - State	7,500 00	5,301 33		2,198 67
	5 Travel - Out of State	600 00	1,086 10		486 10
3,438 66	6 Other Operating Exp.	24,500 00	22,498 07		2,001 93
	7 Capital Outlay-Equipment	1,600 00	1,658 86		(58 86)
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15,829 23	TOTALS	187,000 00	172,249 39		14,750 61

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

DATE	NAME	REPRESENTING
5/11/88	Edward W. McElroy	MT Energy Assoc. PPE
6/6/88	Mike Gannon	South American Petroleum
6/14	Michael M. Gann	Self
6/20-88	Bob Kaagorahok	Self
6/28/88	Frank Colwell	DWR
6/28/88	Matthew Miska	ADUR

7/14/88

Name	Representing
Rolph Jensen Jr.	DAM-ROY
John Saxman	—
Franklin K. Gibson	✓
Mitchell Arley	ADWR
Sheldon H. Muller	A.C.