



OIL & GAS CONSERVATION COMMISSION  
Meeting: November 18, 1988  
Daniel J. Brennan, Exec. Director

**Oil and Gas Conservation Commission**

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

AMENDED  
November 14, 1988

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 November 18, 1988 at 10:00 A.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:

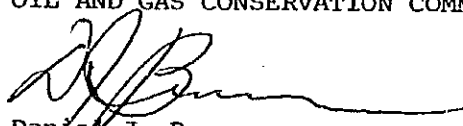
1. Call to Order
2. Approval of Minutes of Meeting and of the Executive Session of July 14, 1988
3. Introduction of new staff member
4. Report of Executive Director
5. Consideration of Budget Request for FY 1990
6. Motion to authorize Executive Director to act on behalf of the Commissioners
7. Legislation which may affect Oil and Gas Conservation Commission
8. Relations between the Oil and Gas Conservation Commission and Indian Tribes
9. 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 14th day of November 1988.

OIL AND GAS CONSERVATION COMMISSION

  
Daniel J. Brennan  
Executive Director

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

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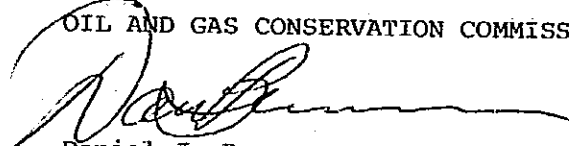
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The public will be afforded an opportunity to comment on any item on the agenda; however, at the beginning of the meeting, the Commission may vote to set a time limit on individual comments.

DATED THIS 7th day of November 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  
July 14, 1988

Present:

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

The regular Commission Meeting of July 14, 1988 was called to order by Dr. J. Dale Nations, Chairman, at 1:00 P.M. in the Commission's office.

APPROVAL OF MINUTES OF MEETING OF MAY 20, 1988

Mr. Warne moved, seconded by Mrs. Wilt:

THAT THE MINUTES OF THE MEETING OF MAY 20, 1988  
BE ACCEPTED AS PRESENTED.

Motion carried unanimously.

EXECUTIVE SESSION AGENDA

Mrs. Wilt moved, seconded by Mr. Bennett:

THAT THE COMMISSION GO INTO EXECUTIVE SESSION.

Motion carried unanimously. The Executive Session began at 1:07 P.M.

At 2:10 P.M., the regular meeting resumed after completion of the Executive Session with all original Commissioners being present.

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 budget appropriation passed with the 9% reduction realized from Rudy Ybarra's upcoming retirement in August 1988. Over 50 completed applications have been received for Mr. Ybarra's position, out of over 100 sets of applications which were mailed to interested people for the Oil and Gas Specialist position. After September 30, 1988, the money derived from the sale of publications will be

retained in the newly approved Publication Revolving Fund.

REPORT OF ENFORCEMENT DIRECTOR

The Activity Report of Mr. Ybarra was sent to the Commissioners, and has been made a part of these minutes. Mr. Ybarra advised a new rule is being written pertaining to temporary abandonment of wells. The Golden Sun well is ready for plugging in the Sedona area. The Suncor well at Litchfield was plugged, and will be used as a water well.

Dr. Nations read a Resolution of Appreciation in behalf of Mr. Ybarra's fine service with the Commission as he plans to retire on August 31, 1988. Best wishes were extended for his future.

Dr. Brennan gave details regarding a trip by the Commissioners to tour the Dineh-bi-Keyah Field on September 15, and 16, 1988. The regular Commission meeting will take place on September 16, 1988 during the trip. An overnight stay is planned at Farmington, New Mexico.

ADJOURNMENT

Mrs. Wilt moved, seconded by Mr. Bennett:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 2:40 P.M.

APPROVED

Dale Nations  
Dr. J. Dale Nations  
Chairman

GUESTS IN ATTENDANCE:

Franklin K. Gibson  
Ralph Pomeroy, Jr.  
John Saxman  
Gretchen Finley  
Sheldon H. Muller

Cam-Roy Research Corp.  
Cam-Roy Research Corp.  
Cam-Roy Research Corp.  
Department of Water Resources  
Attorney General's Office



**Oil and Gas Conservation Commission**

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

**ACTIVITY REPORT**

November 4, 1988

Daniel J. Brennan  
Executive Director

A handwritten signature in dark ink, appearing to be "DJB", written over the typed name and title.

Since our last regular meeting, in July, Rudy Ybarra has retired. We do miss Rudy's presence and his contribution to the work of the Commission.

We have offered the position to Steven Rauzi of Logan, Utah and he has accepted. We expect him to be installed in the office before your meeting, so we can introduce him at that time. Steve's background includes a Master's from Utah State and seven years of experience in exploration and development with Texaco. We are happy to have him joining us.

The budget request for FY '90, July 1, 1989 to June 30, 1990 was submitted at the end of August. Total amount requested was \$222,600, an increase of \$33,000 over this year's appropriation. Of the \$33,000, \$14,800 is for Employee benefits figured according to a new formula, and \$5,000 is for Payroll.

I have requested \$5,000 for the Interstate Oil Compact Commission as "below-the-line item." This makes for better accountability. I have also asked for \$5,000 for moving our office and well samples to a new location. Our present landlord has proposed lease extension terms I consider outrageously costly, so we almost have to move.

We have also requested \$1900 for staff training, mostly for the new staff member, and \$1000 for non-contract maintenance of our equipment and \$1100 for equipment.

Several pages summarizing the budget request are enclosed for your information.

I made two trips to Dineh-bi-Keyah for the plugging of wells, Navajo 1-88 and Navajo 18.

Daniel J. Brennan

November 4, 1988  
Page 2

I inspected the above-ground hardware at the Cal Gas storage plant in Peoria. This was the semi-annual inspection of their facility.

The Bureau of Land Management held a public auction of oil and gas leases in September. Attendance was sparse and no bids were made. I understand numerous tracts were filed on in the next few days.

Exxon may have taken over 30,000 acres near Fredonia and 20,000 acres in the Strip portion of Yavapai County. I speculate that this activity may be the precursor of more to come in the search for oil generated in the Precambrian as reported by the USGS.

Chuska Energy is planning to workover three shut-in gas wells in the Black Rock area. They may also drill a new well nearby.

Exxon has made available for the exclusive use of the Commission six seismic lines in the Yuma area. I will use these in conjunction with the study of that area I am hoping to present at the AAPG meeting in San Antonio in April.

Cal Gas had a small blow-out during their attempt to plug the #1 Roach Baker which is the well which had the casing leak last year. That was taken care of. At this writing, operations are shutting down after five unsuccessful attempts to set a cement plug in the open hole. Activity should resume in a few days with some new equipment.

SUMMARY OF EXPENDITURES AND BUDGET REQUESTS FY 1990

EXPENDITURE CATEGORY	ACTUAL FY 1988	APPROPRIATED FY 1989	INCREASE (DECREASE)	EOB INC / DEC	PROGRAM CHANGE	EOB PROG CHG	REQUEST FY 1990	REDUCTION FY 1990
FTE Positions.....	4	4					4	
6000 Personal Services....	123.9	123.3	5.7		0		129.0	
6100 Employee Related Exp.	22.9	25.7	14.8		0		40.5	
6110 Other Operating Exp.	32.1	40.6	3.2		(0.7)		43.1	
SUB-TOTAL.....	178.9	189.6						
Other Schedule 1,2.....		0	10.0		0		10.0	
Total General Fund.....	187.9	189.6						
Other Appropriated.....	0	0	0		0		0	
TOTAL APPROPRIATED.....	187.9	189.6						
Add Federal Funds.....	0	0	0		0		0	
Add Other.....	0	0	0		0		0	
Non-appropriated Funds....	0	0	0		0		0	
TOTAL PROGRAM.....	187.9	189.6	33.7		(0.7)		222.6	
ALL OTHER OPERATING EXPENDITURES DETAILED								
6200 Professional & Outside Services.....	0.1	0.4	0		0		0.4	
6500 Travel In-State.....	5.5	7.1	1.0		0.8		8.9	
6500 Travel Out-of-State.....	1.1	2.5	0.4		(1.1)		1.8	
6700 Food.....	0	0	0		0		0	
7000 Other Operating Exp.....	23.0	29.1	2.7		(.9)		30.9	
8400 Equipment.....	2.4	1.5	(0.9)		0.5		1.1	
TOTAL	32.1	40.6	3.2		(0.7)		43.1	



CODE	Travel - In State	Actual FY 1989	Appropriated FY 1989	Increase (Decrease)	EOB Inc / Dec	Program Change	EOB Prog Chg	Request FY 1990	Recommnd FY 1990
6510	Public Transportation.....	120.50	0	0		0		0	
6540	Non-Public Transportation.....	4334.89	5100	895		789		6784	
6582	Lodging.....	499.87	1300	100		0		1400	
6583	Per Diem.....	495.35	700	0		789		700	
	Adjustments.....								
6500	TOTAL In-State To Schedule 3.....	5450.61	7100	995		789		8884	
Travel - Out of State									
6610	Public Transportation.....	600	1100	200		(900)		400	
6640	Non-Public Transportation.....	0	0	0		0		1200	
6682	Lodging.....	400	900	300		0		325	
6683	Per Diem.....	100	500			(175)			
	Adjustments.....								
6600	Total Out-of-State to Schedule 3.....	1100	2500	500		(1075)		1925	
PURPOSE OF TRIP									
	San Francisco	1	1,000						Executive Director to attend annual meeting of American Association of Petroleum Geologists - largest meeting of explorers in the United States to promote exploration in Arizona.
	Los Angeles	1	950						Training school for Blowout prevention and control. (Policy Issue)
	See Policy Issue								* This includes \$600 for Oil and Gas Commission and \$1900 for travel for the Governor's representative to the Interstate Oil Compact Commission. See Policy Issue.

CATEGORY		Actual FY 1988	Appropriated FY 1989	Increase (Decrease)	EBD Inc / Dec	Program Change	EBD Prog Chg	Request FY 1990	Recommend FY 1990
Code	Description								
7010	Advertising	.2	0	0		0			
7020	Communication	3.5	3.8	.3				4.1	
7050	Insurance	.7	2.1	.1				2.2	
7100	Lease/Rental - Land & Buildings	15.3	17.0	.7				17.7	
7120	Lease/Rental - Data Processing								
7140	Lease/Rental - Vehicles								
7180	Lease/Rental - Other Machines								
7200	Lease/Rental - Other								
7310	Printing and Photography	.1	0	0				0	
7510	Repair/Maintenance - Non-contract	.1	.1	.1				1.2	
7540	Repair/Maintenance - Contract	.1	.1	0				.1	
7570	Operating Supplies	1.8	1.6	1.0				2.6	
7670	Repair/Maintenance Supplies								
7710	Resale Supplies								
7850	Utilities								
7960	Miscellaneous	2.5	4.4	.5				3.0	
	Rejustments								
7000	TOTAL OTHER OPERATING - To Schedule 3	24.3	29.1	2.7		(.9)		30.9	

AGENCY OIL & GAS CONSERVATION COMMISSION

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

1		2		3		4		
CLAIMS PAID YEAR TO DATE 1988-1989		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION			CLAIMS PAID MONTH OF OCT. 1988		
23,531	17	6011	1	Salaries: Staff	1	2845	76	
15,864	50	6057	2	Appointed Official	2	3917	16	
120	00	6058	3	Commission Members	3			
		6081	4	Temporary Help	4			
			5		5			
2,916	30	6111	6	Emp. Related: F.I.C.A.	6	497	87	
2,116	17	6113	7	Health Insurance	7	551	34	
17	50	6115	8	D&L Insurance	8	4	20	
78	84	6117	9	Unemployment Insurance	9	13	54	
111	10	6118	10	Dental Insurance	10	27	08	
263	67	6119	11	Workmen's Comp	11	39	38	
1,738	29	6155	12	Retirement	12	344	22	
292	39	6183	13	Personnel	13	50	04	
			14		14			
		6293	15	Prof. Serv.: Court Reporter	15			
		6499	16	Cartographic Symbols	16			
		6499	17	Cartographer	17			
			18		18			
		6511	19	Travel-State: Air Fare	19			
4	34	6531	20	Taxi; parking	20	4	34	
385	58	6541	21	Mileage-Private Vehicles	21	42	45	
776	98	6551	22	Mileage-State Vehicles	22	250	48	
330	43	6582	23	Lodging	23	98	32	
195	00	6583	24	Per Diem	24	63	00	
4	31	6595	25	Telephone	25			
		6598	26	Travel Advance	26			
		6599	27	Other	27			
268	71	6522	28	Airplane Rental	28	268	71	
		6611	29	Travel-Out of State: Air Fare	29			
		6631	30	Taxi; rail	30			
		6639	31	Other (Public transport.)	31			
		6641	32	Personal Auto	32			
		6682	33	Lodging	33			
		6683	34	Per Diem	34			
		6695	35	Telephone	35			
		6698	36	Travel Advance	36			
		6699	37	Other	37			
			38		38			
		7019	39	Other Operating: Other (Advertising)	39			
149	10	7036	40	Postage	40	149	10	
369	00	7044	41	Telephone: ATS Services	41	123	00	
238	35	7045	42	Line Costs	42	82	14	
		7046	43	Station Equipment	43			
55	98	7047	44	Long Distance	44	33	42	
144	79	7048	45	Other	45	55	00	
		7049	46	Communication: Other	46			
			47		47			
2,127	00	7066	48	Risk Management	48			
			49		49			
4,001	25	7103	50	Office Rent	50			
		7108	51	Storage Rent	51			
			52		52			
		7311	53	Printing	53			
		7313	54	Binding	54			
		7315	55	Quick Copy	55			
			TOTAL					

AGENCY OIL AND GAS CONSERVATION COMMISSION

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

1		2		3		4	
CLAIMS PAID YEAR TO DATE 1985-1989		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION			CLAIMS PAID MONTH OF OCT. 1988	
		7532	1	Furniture	(Maintenance Noncontract)	1	
		7532	2	Adder/Calculator	(Maintenance Noncontract)	2	
		7532	3	Reader/Printer	(Maintenance Noncontract)	3	
		7539	4	Other	(Repair and Maintenance)	4	
46	00	7553	5	Typewriter	(Maintenance Contract)	5	
88	82	7553	6	Copy Machine	(Maintenance Contract)	6	
			7			7	
		7581	8	Data Processing - Magnetic Media		8	
		7582	9	Data Processing - Paper		9	
14	40	7583	10	Data Processing - Other		10	14 40
35	04	7586	11	Drafting Supplies		11	17 97
		7595	12	Field Supplies		12	
			13			13	
		7621	14	Stationery & Envelopes		14	
		7624	15	Reproduction Supplies		15	
213	90	7625	16	Office Supplies		16	39 32
			17			17	
		7655	18	Tires		18	
5	95	7689	19	Highway - Other		19	5 95
		7962	20	Revolving Fund		20	
106	20	7967	21	Books		21	46 00
3,034	00	7971	22	Organization Dues		22	34 00
		7973	23	Education and Training		23	
		7975	24	Registration Fees		24	
			25			25	
400	00	7980	26	Computer Software		26	
			27			27	
		7985	28	Freight and Moving		28	
			29			29	
32	50	7997	30	Subscription; Newspaper		30	16 25
		7997	31	Technical Journal		31	
		7999	32	Other		32	
			33			33	
		8342	34	Library and Reference Books		34	
		8344	35	Law Books		35	
			36			36	
		8410	37	Data Processing Equipment		37	
			38			38	
		8483	39	Office Furniture and Equipment		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	
60,077	56		TOTAL				9,634 44

**MONTHLY FINANCIAL REPORT**

1 RECEIPTS MONTH OF OCT. 1988	2 RECEIPTS CLASSIFICATION	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
	1 Permits to Drill			4,327 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	4,327 00		XXXXXX
	<b>TOTALS - MONTH AND YEAR TO DATE</b>	<b>4,327 00</b>		

6 CLAIMS PAID MONTH OF OCT. 1988	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
6,762 92	1 Personal Services	123,300 00	39,515 67		83,784 33
4,527 67	2 Emp. Related Exp.	25,700 00	7,534 26		18,165 74
	3 Professional Services	400 00			400 00
727 30	4 Travel - State	7,100 00	1,965 35		5,134 65
	5 Travel - Out of State	2,500 00			2,500 00
616 55	6 Other Operating Exp.	29,100 00	11,062 28		18,037 72
	7 Capital Outlay-Equipment	1,500 00			1,500 00
	8				
	9				
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	29				
	30				
9,634 44	<b>TOTALS</b>	<b>189,600 00</b>	<b>60,077 56</b>		<b>129,522 44</b>

