

OIL & GAS CONSERVATION COMMISSION
MINUTES OF MEETING / SEPTEMBER 15, 1995
STEVEN L. RAUZI, PROGRAM ADMINISTRATOR



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION

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 September 15, 1995, at 10:00 a.m. in Room 500 of the State Capitol located at 1700 West Washington, Phoenix, Arizona 85007. 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 the Minutes of Meeting of March 17, 1995
3. Statement of Director and State Geologist
4. Report of Oil & Gas Program Administrator
5. Sunset Review 1996
6. Incentives
7. Call to the public
8. Announcements
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 any regular agenda item listed on this agenda.

A copy of the agenda background material provided to Commission members (with the exception of material relating to possible executive sessions) is available for public inspection at the Oil and Gas Program Administrator's office, 416 West Congress, Suite 100, Tucson, Arizona 85701.

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 up a time limit on individual comments.

Dated this 1st day of September 1995.

OIL AND GAS CONSERVATION COMMISSION

Steven L. Rauzi
Oil and Gas Program Administrator

PLEASE ADVISE THIS OFFICE ASAP IF YOU WILL NOT BE ATTENDING THIS MEETING

Title II of the Americans with Disabilities Act prohibits the Oil and Gas Conservation Commission from discriminating on the basis of disability in its public meetings. Individuals with disabilities who need a reasonable accommodation to attend or communicate in the Commission's meeting, or who require this information in an alternate format, may contact the Program Administrator to make their needs known. Requests must be made at least 72 hours in advance so that the Commission will have sufficient time to respond.



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION

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 September 15, 1995, at 10:00 a.m. in Room 500 of the State Capitol located at 1700 West Washington, Phoenix, Arizona 85007. 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 the Minutes of Meeting of March 17, 1995
3. Statement of Director and State Geologist
4. Report of Oil & Gas Program Administrator
5. Sunset Review 1996
6. Incentives
7. Call to the public
8. Announcements
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 any regular agenda item listed on this agenda.

A copy of the agenda background material provided to Commission members (with the exception of material relating to possible executive sessions) is available for public inspection at the Oil and Gas Program Administrator's office, 416 West Congress, Suite 100, Tucson, Arizona 85701.

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 up a time limit on individual comments.

Dated this 1st day of September 1995.

OIL AND GAS CONSERVATION COMMISSION

Steven L. Rauzi
Oil and Gas Program Administrator

OIL AND GAS CONSERVATION COMMISSION
845 North Park Avenue, #100
Tucson, Arizona 85719

Minutes of Meeting
March 17, 1995

Present:

Dr. J. Dale Nations, Chairman
Mrs. Lisa C. Worthington, Vice-Chair
Mr. James C. Lanshe, Member
Mr. Zed Veale, Member
Dr. Larry D. Fellows, State Geologist
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

The regular Commission Meeting of March 17, 1995, was called to order by Dr. J. Dale Nations, Chairman, at 10:05 a.m. in Room 500, State Capitol Tower, Phoenix, Arizona.

APPROVAL OF MINUTES OF MEETING OF JANUARY 20, 1995

Mr. Veale moved, seconded by Ms. Worthington:

THAT THE MINUTES OF THE MEETING OF JANUARY 20, 1995, BE
ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows reported that HB 2013 had passed in the House and had recently passed the Senate Natural Resources, Agriculture, and Environment Committee. It will now go to the Senate floor for approval. He reported that a backlog of appointments exists and noted that the Governor's Office was considering a program to train new Commission and Board Members on government procedures. Dr. Fellows reported that the relocation of the agency to the new office was on schedule to take place in June 1995.

REPORT OF THE OIL AND GAS PROGRAM ADMINISTRATOR

The activity report of Mr. Rauzi was sent to the Commissioners and has been made a part of these minutes. Mr. Rauzi reported that Ridgeway Arizona Oil Corporation and The Townsend Company had applied for permits to drill. He reported on the status of the certification of the rules and explained the amended Concise Explanatory Statement. Chairman Nations signed the amended Concise Explanatory Statement.

Mr. Lanshe stated for the record that he had purchased, individually, an interest in The Townsend Company venture on the same terms and conditions as any other investor, that no special consideration was involved, and that to avoid any possible conflict of interest, he would refrain from participating in any manner in this matter.

POLICY ON FEDERAL AND INDIAN LANDS

Mr. John Haas of the BLM passed out drafts of a Memorandum of Understanding between the BLM and the Commission. A discussion on the drafts and the issues of sharing data and conducting hearings followed.

Mr. Lanshe moved, seconded by Ms. Worthington with amendment:

TO APPROVE THE DRAFTS SUBJECT TO FINAL NEGOTIATIONS
BETWEEN THE BLM AND BIA AND LEGAL OPINION OF COUNSEL,
AND TO ADOPT THE POLICY SET FORTH IN THE DRAFTS WITH
AN AMENDMENT THAT THE BLM REIMBURSE THE COMMISSION
FOR HEARING COSTS

Motion carried unanimously.

POTENTIAL INCENTIVE PROGRAM

After discussing incentives in adjacent states and the draft report on oil and gas potential in Arizona, the Commission requested that a final report, including a full list of incentives in other states, be ready by the end of March in anticipation of a presentation to advise the Governor of the positive oil and gas potential in Arizona.

CALL TO THE PUBLIC

Mr. Haas informed the Commissioners that the BLM may forego royalties for a period of time as an incentive program. On the other hand, he reported that the Associate Director had raised the possibility of eliminating oil and gas leasing in Alaska, Arizona, Idaho, and Oregon.

ANNOUNCEMENTS

The next meeting was scheduled for 10:00 a.m. on September 15, 1995, at the Capitol Tower in Room 500.

ADJOURNMENT

Mrs. Worthington moved, seconded by Mr. Lanshe:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:55 a.m.

APPROVED



D. Dale Nations
Chairman

GUESTS IN ATTENDANCE:

John B. Fiegen
John Haas

Assistant Chief Council, Attorney General's Office
U.S. Bureau of Land Management



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

September 1, 1995

To: **Oil and Gas Conservation Commissioners**

From: *SLR* Steven L. Rauzi, Oil and Gas Program Administrator

Re: **Activity Report for September 15, 1995, Meeting**

Four permits to drill were issued since your last meeting on March 17, 1995. The Townsend Co. 26-1 State, 18 miles west of Winslow, was drilled to 2950 feet in June. It was converted to a water well. The Arzon Corp. 1 State, 3 miles west of San Simon, was drilled to 8974 feet in July and August. It is temporarily abandoned with 4 1/2" pipe set at 4064 feet. The Ridgeway 22-1 State, 5 miles southeast of St. Johns, was drilled to 218 feet in August. It was abandoned because of lost circulation. The Ridgeway 3-1 State started drilling in August and is currently drilling toward a total depth of 2400 feet. This confirmation well is located about 4 miles south of the Ridgeway carbon dioxide discovery announced in August 1994. Ridgeway permitted 22-1X State, a replacement for the 22-1 State, on August 25.

I witnessed the circulation of cement on surface casing and the pressure test of the blow-out-control equipment on these wells. I witnessed the placement of the cement plug on the abandonment of the Townsend well.

A representative of the Land Department may attend your September 15 meeting to discuss the issues in Chairman Nation's May 19, 1995, letter to Mr. M.J. Hassell. A copy of that letter is enclosed, as is a copy of a letter from Mr. John Somers about the affect of leasing limitations on independent operators exploring in Arizona. Agenda item 6 provides for discussion of this matter.

Mr. John Haas, BLM, has advised that the draft agreements discussed in your March 17, 1995, meeting are on hold pending the outcome of President Clinton's re-invention of government. Mr. Haas may attend to discuss this and other issues.

Finally, a copy of two 1996 OGCC Sunset Review reports are enclosed for your review. We prepared these at the request of Senator Jim Buster, Chairman, Committee of Reference. Agenda item 5 provides for the discussion of this matter.



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



*Agenda
item
5*

Larry D. Fellows
Director and State Geologist

September 11, 1995

Ms. Victoria Tafoya
Research Assistant
Capitol Building, Senate Wing
1700 West Washington
Phoenix, Arizona 85007

Re: Sunset Review of Oil and Gas Conservation Commission

Dear Ms. Tafoya:

The information relating to the sunset review of the Oil and Gas Conservation Commission requested by Senator Jim Buster by letter of August 1, 1995, is enclosed. This information includes:

- (1) Report to the Committee of Reference addressing the 12 factors listed in A.R.S. § 41-2354(D),
- (2) Copies of minutes of Commission meetings during fiscal years 1984 through 1994,
- (3) An annual report for fiscal years 1991 through 1994 (annual reports are not available for 1984 through 1990, and
- (4) Our response to the Agency Questionnaire, which was attached to Senator Buster's letter.

Please advise if we may be of further assistance.

Sincerely,

Larry D. Fellows
Director and State Geologist

Enclosures

REPORT TO THE COMMITTEE OF REFERENCE

on the

1996 SUNSET REVIEW

of the

ARIZONA OIL AND GAS CONSERVATION COMMISSION

by

Larry D. Fellows
State Geologist and Director of Arizona Geological Survey

and

Steven L. Rauzi
Oil and Gas Program Administrator

September 11, 1995

EXECUTIVE SUMMARY

The Oil and Gas Conservation Commission (OGCC), pursuant to A.R.S. § 27-515, administers and enforces state laws relating to the conservation of oil, gas, helium, and geothermal resources.

Before 1959, state laws relating to oil and gas were administered by the Office of Oil and Gas Conservation at the State Land Department. The OGCC became a stand-alone agency in July 1959. In July 1991, in order to reduce General Fund expenditures, the Legislature eliminated the agency and attached the OGCC (governing board) and one FTE to the Arizona Geological Survey (AZGS). The OGCC, however, retained statutory authority to set policy, promulgate rules, and issue orders on matters within its jurisdiction. Under this arrangement, the AZGS provides administrative and staff support needed to fulfill the mission of the OGCC. This has reduced expenditure of General Revenue funds on behalf of the OGCC from about \$190,000/year to about \$60,000/year, a savings of \$130,000/year.

The OGCC fulfills its mission by issuing permits for oil, gas, and geothermal wells; monitoring and inspecting wells and facilities for compliance with rules; maintaining rules in Title 12, Chapter 7 of the *Arizona Administrative Code*; collecting, compiling, and maintaining drilling, production, and subsurface data for public use; coordinating enforcement with the Attorney General; and preparing and publishing geologic studies to encourage and assist the exploration for and development of Arizona's oil, gas, helium, and geothermal resources.

Arizona currently has 22 producing oil wells, 6 producing gas wells, and 14 hydrocarbon-storage wells. During the Sunset Review period (July 1984 through June 1994) the OGCC permitted 34 wells. All drilling, producing, and storage wells were inspected and monitored. All safety, environmental, or communication problems were resolved.

Drilling activity tends to track oil prices. For example, the OGCC permitted 176 wells in 1974 through 1984 when oil prices were higher. Decreased drilling activity over the last decade reflects the lower oil prices over the same period. The current funding level on behalf of the OGCC also reflects the lower level of drilling activity. The long-term outlook, however, is for higher oil prices and increased drilling activity.

CONCLUSION

It is important that a commission of public members should set oil and gas regulatory policy and promulgate and maintain rules that govern the drilling and production of oil, gas, and geothermal resources in Arizona. The regulated community has access to the OGCC if disputes or special needs require resolution. **The OGCC, the only governmental unit with appropriate statutory authority and technical expertise to perform these functions, should be continued.**

Affiliation with the AZGS facilitates sharing of geologic data, maintaining subsurface and well information, and accessing expertise relative to the overall geologic character of Arizona's subsurface and potential for oil and gas resources.

REPORT TO THE COMMITTEE OF REFERENCE

The following information about the Arizona Oil and Gas Conservation Commission (OGCC) was compiled in response to a request from Senator Jim Buster, Chairman of the Committee of Reference. The sunset review period is from July 1, 1984 to June 30, 1994.

1. The objective and purpose in establishing the agency.

The OGCC was established to administer and enforce state laws relating to the conservation of oil, gas, helium, and geothermal resources. The Arizona Geological Survey (AZGS) provides administrative and staff support needed to carry out this charge.

The OGCC conserves and prevents waste of oil, gas, and geothermal resources; provides for protection of owners of land wherein these resources lie; encourages responsible exploration and development of these resources; and safeguards the health, property, environment, and public welfare of the citizens of the State.

The above objectives are accomplished by issuing permits for oil, gas, and geothermal wells; monitoring and inspecting wells and facilities for compliance with rules; maintaining effective rules in Title 12, Chapter 7 of the *Arizona Administrative Code*; collecting, compiling, and maintaining drilling, production, and subsurface data for public use; coordinating enforcement with the Attorney General; and completing geologic studies to encourage exploration for and development of Arizona's oil, gas, and geothermal resources.

2. The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated.

During the Sunset Review period (July 1984 to June 1994) 34 drilling permits were issued, 35 wells were drilled, and all OGCC rules were reviewed and amended. In addition, there are currently 22 producing oil wells, 6 producing gas wells, and 14 hydrocarbon-storage wells in Arizona. All drilling, producing, and hydrocarbon-storage wells were inspected and monitored. All safety, environmental, or communication problems were resolved.

The OGCC has effectively met its objective and purpose through close interaction with the regulated community and the Departments of Water Resources and Environmental Quality; timely inspections during drilling; periodic inspections of hydrocarbon-storage wells, and by keeping its rules consistent with current technology and environmental practices. This regulatory activity is carried out with expenditure of about \$60,000 of General Revenue funds. Examples of major activities completed are:

- a. Enforced abandonment of two deep, non-productive geothermal wells near Chandler. Legal maneuvers by operator prevented abandonment for over five years.

- b. Transferred abandoned oil test near Yuma to U.S. Bureau of Reclamation. Operator refused to plug the well and forfeited bond for noncompliance.
 - c. Brought all 14 hydrocarbon-storage wells in the state into compliance with the volume verification requirement of A.A.C. R12-7-181. Storage wells are inspected twice a year.
 - d. Amended 54 rules, repealed 48 rules, and adopted 4 new rules in Title 12, Chapter 7, *Arizona Administrative Code*. All 106 rules were approved by the Governor's Regulatory Review Council (GRRC), 43 were certified by the Attorney General, and 63 are in the process of certification.
 - e. Prepared and published 19 geologic studies related to subsurface geology for the purpose of encouraging and assisting exploration for and development of Arizona's oil, gas, helium, and geothermal resources.
 - f. Overcame obstacle to enforcement authority by successfully amending A.R.S. §§ 27-516 and 27-654 in the 1995 Legislative session.
3. **The extent to which the agency has operated within the public interest.**

The OGCC's rules, orders, and substantive policy statements are adopted to conserve oil, gas, and geothermal resources, and safeguard the health, property, environment, and public welfare of the citizens of the State. Ensuring proper drilling, completion, and production practices conserves resources and prevents pollution of ground water.

All meetings and hearings of the OGCC are open to the public. An agenda is posted two weeks before the meeting or hearing to advise the public on all matters to be considered. This ensures input and participation by all interested parties in any matter being considered.

The composition of the OGCC further ensures its operation in the public interest. The OGCC consists of six members, five of which are appointed from the general public by the Governor. The State Land Commissioner serves as the sixth, ex-officio member. Only the appointed, public members have voting rights, and no more than three members may be of the same political party.

4. **The extent to which rules and regulations promulgated by the agency are consistent with the legislative mandate.**

A.R.S. § 41-1054 requires an agency to conduct a review of its rules in cooperation with the GRRC every five years. This ensures that rules are up-to-date with respect to current technology in the regulated industry and the latest environmental protection practices. The review process ensures that each rule is

- a. authorized by existing statutes;
- b. effective in meeting its intended objective;
- c. consistent with legislative mandate, other rules, and current enforcement policy;
- d. and clear, concise, and understandable by the regulated industry and general public.

The OGCC recently cooperated with the GRRC in this review of its rules. Most were updated, and all were shown to be consistent with legislative mandate.

5. The extent to which the agency has encouraged input from the public before promulgating its rules and regulations and the extent to which it has informed the public as to its actions and their expected impact on the public.

All rulemaking activities of the OGCC are carried out in full compliance with the Arizona Administrative Procedures Act, reviewed by the GRRC, and adopted subject to certification by the Attorney General. GRRC meetings are open to the public and all rules sent to the GRRC must be accompanied by an economic, small business, and consumer impact statement.

All OGCC rulemaking activity is initiated in public meetings, published in the *Arizona Administrative Register*, and adopted after a public hearing on the proposed rulemaking. This process facilitates input and participation from the regulated industry and general public in the promulgation of all OGCC rules.

6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.

Arizona is not a major producer of oil and gas, so few complaints have been received. Those complaints have been resolved with input from the public. This is due to the right of any interested person to appear at any OGCC meeting and be heard on any matter within the jurisdiction of the OGCC. The OGCC encourages and welcomes public input, which is carefully considered before regulatory and policy decisions are made.

AZGS staff is on call to investigate, witness, and resolve all complaints and activities within the jurisdiction of the OGCC 24 hours a day.

7. The extent to which the attorney general or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.

Pursuant to A.R.S. § 27-521, the Attorney General shall be attorney for the OGCC, and has full authority to prosecute actions under the enabling legislation. Enforcement options include prohibitory or mandatory injunctions, temporary restraining orders, and preliminary injunctions in addition to civil penalties of not more than one thousand dollars for each violation and for each day the violation continues.

Within the last two years, the OGCC successfully resolved two ongoing cases of noncompliance by closely coordinating enforcement with the Attorney General. Threat of prosecution by the Attorney General lead to voluntary compliance before the cases were brought to suit.

8. The extent to which agencies have addressed deficiencies in their enabling statutes which prevent them from fulfilling their statutory mandate.

Recent enforcement actions revealed some deficiencies in the OGCC's enforcement statutes. Discussions about these deficiencies with the Attorney General resulted in H 2013, which successfully amended A.R.S. §§ 27-516 and 27-654 in the 1995 legislative session. This bill clarified an operator's responsibility relative to plugging abandoned wells and improved the OGCC's ability to prosecute certain types of noncompliance.

9. The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in this subsection.

No changes are necessary at this time.

10. The extent to which the termination of the agency would significantly harm the public health, safety, or welfare.

The OGCC safeguards the health, property, environment, and public welfare of the citizens of the State. Termination of the OGCC would result in a vacuum because no other agency has statutory authority to address these needs. Not only is statutory authority required, the agency must also have properly qualified staff. Persons with such qualifications are not employed by any other agency.

Errors in judgement concerning blow-out-control equipment and tests; depth and integrity of casing strings; and construction, maintenance, and operation of hydrocarbon storage wells could result in pollution of groundwater or blow outs and major fire resulting in possible injuries or fatalities. Termination of the OGCC would clearly result in a serious setback to the health, property, safety, and public welfare of the citizens of the State.

11. The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate.

The OGCC recently strengthened its performance bonding requirements. Otherwise, the current level of regulation exercised by the AZGS on behalf of the OGCC is appropriate with the current level of industry exploration and drilling activity. This could change, however, if a discovery leads to an increase in activity in urban areas at which time a more stringent level of reporting and notification requirements would be appropriate. This would be accomplished in compliance with the Arizona Administrative Procedures Act.

12. The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.

The OGCC does not use private contractors in the performance of its regulatory duties. We believe it would not be cost effective or efficient to use private contractors to handle the day-to-day collection and filing of production, drilling, and injection records maintained by this office. Collection and filing of records, public relations, correspondence, and assistance to the regulated industry are, in our opinion, most efficiently provided by a full-time employee of the State. All well data, samples, and files are made available to the public. We encourage them to use these data in developing exploration programs.

Tom D. Mellor
11 Sept 1995

Steven L. Rainey 9-11-95

COMMITTEE OF REFERENCE

AGENCY QUESTIONNAIRE FOR ADVISORY COUNCILS OR BOARDS

for the

ARIZONA OIL AND GAS CONSERVATION COMMISSION

by

Larry D. Fellows
State Geologist and Director of Arizona Geological Survey

and

Steven L. Rauzi
Oil and Gas Program Administrator

September 11, 1995

Committee of Reference
Agency Questionnaire for Advisory Councils or Boards

OIL AND GAS CONSERVATION COMMISSION

1. Describe the role and function of the council or board including major activities/projects, accomplishments and obstacles to success.

The Oil and Gas Conservation Commission (OGCC), pursuant to A.R.S. § 27-515, administers and enforces state laws relating to the conservation of oil, gas, helium, and geothermal resources.

The OGCC conserves and prevents waste of oil, gas, and geothermal resources; provides for protection of owners of land wherein these resources lie; encourages responsible exploration for and development of these resources; and safeguards the health, property, environment, and public welfare of the citizens of the state.

The above objectives are accomplished by issuing permits for oil, gas, helium, and geothermal wells; monitoring and inspecting wells and facilities for compliance with rules; maintaining effective rules in Title 12, Chapter 7 of the *Arizona Administrative Code*; collecting, compiling, and maintaining drilling, production, and subsurface data for public use; coordinating enforcement with Attorney General; and completing geologic studies encouraging exploration for and development of Arizona's oil, gas, helium, and geothermal resources.

The Arizona Geological Survey (AZGS) provides staff support. Affiliation with the AZGS facilitates sharing of geologic data and library, maintaining subsurface and well information, and accessing expertise relative to the overall geologic character of Arizona's subsurface and potential for oil and gas resources.

Recent accomplishments of the OGCC include

- a. Enforced abandonment of two deep, non-productive geothermal wells near Chandler. Legal maneuvers by operator prevented abandonment for over five years.
- b. Enforced transfer of non-productive hole near Yuma to U.S. Bureau of Reclamation as an observation well. Original operator refused to plug the well and forfeited bond for noncompliance to rules.
- c. Brought all 14 hydrocarbon-storage wells in the state into compliance with the volume verification requirement of A.A.C. R12-7-181. Storage wells are inspected twice a year.

- d. Issued permits for 34 wells during the review period (July 1984 through June 1994). (176 wells were permitted and drilled in the previous review period from July 1974 through June 1984)
 - e. Amended 54 rules, repealed 48 rules, and adopted 4 new rules in Title 12, Chapter 7, *Arizona Administrative Code*. All 106 rules approved by the Governor's Regulatory Review Council, 43 were certified by the Attorney General, and 63 are in the process of certification.
 - f. Prepared and published 19 geologic studies related to subsurface geology to encourage and assist the exploration for and development of Arizona's oil, gas, helium, and geothermal resources.
 - g. Overcame obstacle to enforcement authority by successfully amending A.R.S. §§ 27-516 and 27-654 in the 1995 Legislative session.
- 2. Provide financial data such as the number of full-time employees, expenditures and revenues and fee structure.**
- a. The OGCC was attached administratively to the AZGS in July 1991 to reduce expenditure of General Revenue funds. One FTE at the AZGS, the Oil and Gas Program Administrator, handles day-to-day oil and gas functions and conducts regulatory activities on behalf of the OGCC.
 - b. Expenditures on behalf of the OGCC were reduced from about \$190,000 a year as a stand-alone agency to about \$60,000 a year after the OGCC was attached to the AZGS. The current funding level reflects the current level of drilling and storage-well activity.
 - c. Application fees provide direct revenue to the OGCC. These fees are a function of the number of drilling permits issued and have recently averaged \$65 a year. Related, non-direct revenues, which currently go to the General and State Reclamation Funds, include oil and gas lease rentals and severance and property taxes on oil and gas production and equipment. Lease rentals are a function of the amount of acreage under lease and have recently averaged \$216,000 a year. Taxes are a function of production levels and have recently averaged \$65,000 a year. The Land Department administers leasing on State Trust Land. The Bureau of Land Management (BLM) administers leasing on Public Lands.

- d. Application fees are structured to balance the need to cover the cost of processing drilling applications and encouraging exploration in Arizona, which, in turn, increases the probability for a discovery. A discovery of oil or gas will create jobs and increase general revenue for the State.
5. The OGCC collects a \$10,000 to \$20,000 performance bond, depending on depth of hole, for each well permitted. These funds include surety, certificates of deposit, or cash; are custodial in nature and are owed to individuals. They are returned upon completion of a drilling project or may be forfeited by the OGCC for noncompliance with rules.
- 3. Provide information regarding council or board composition including number of members, number of public members and method of appointment.**
- a. The OGCC consists of six members. Five are appointed from the general public by the Governor. The State Land Commissioner serves as the sixth, ex-officio member. Only the appointed, public members have voting rights, and no more than three members may be of the same political party.
- b. Current appointed members from the general public include Dr. Donald Clay, a retired geology professor at Arizona Western University in Yuma; Mr. James Lanshe, an investment banker in Phoenix; Dr. Dale Nations, a geology professor at Northern Arizona University in Flagstaff; Mr. Zed Veale, a retired marketing professional in Flagstaff; and Ms. Lisa Worthington, a consulting geologist in Phoenix. The sixth, ex-officio member is Mr. M.J. Hassell, State Land Commissioner.

Jerry D. Fellows
11 Sept 1995

Steven L. Ravis 9-11-95

ISSUES REGARDING OIL AND GAS AND GEOTHERMAL
EXPLORATION ON STATE TRUST LAND

*provided by
Barry Moody, SLD
9-15-95 mtg*

Issue 1

Acreage limitation for oil and gas leasing on State Trust land. There has been confusion regarding oil and gas leasing on Trust land. House Bill No. 9, Chapter 124 put in effect a limit of 15,360 acres per individual or corporation allowable for lease. This limit was put in effect March 28, 1951. On April 9, 1970 Senate Bill 186, Chapter 41 removed this acreage limit. On April 30, 1979 the Arizona Administrative Code was released containing this acreage limitation. Therefore, currently there is no maximum acreage limitation set on individuals or corporations. We have requested changes to the rules and regulations reflecting the removal of the acreage limit. The statutes, rules and regulations are in agreement that each individual lease is limited to 2,560 acres.

Issue 2

Section 14 of the oil and gas lease which involves condemnation. Discussions with our Contracts Section indicates that only the Federal government can condemn State Trust land. This is taken from an interpretation of the Enabling Act. §37-906 states that the Land Commissioner may not dispose of public lands without authorization by the legislature. Discussions with the Bureau of Reclamation and the Bureau of Land Management show that it would be up to the Federal government not the State Land Department to compensate the landowner or mineral owner. The burden of compensation would fall upon the agency directing any condemnation. Therefore, Section 14 is appropriate in that the Land Department would not be responsible for compensation of the lessee.

Issue 3

\$200.00 per lease assignment fee. Currently, the assignment fee of all leases, permits, rights-of-way and contracts is \$200.00. §37-108 regarding fees, states that the Department shall charge fees that do not exceed \$200.00. Legally, the Department may have some latitude in charging assignment fees based on the statute's wording. Currently the Department waives the 3% premium of Lessee compensation realized from the assignment.

Issue 4

\$1.00 per acre charge for oil and gas lease rental. §27-555, Chapter 4, Part D states that the annual rental is set at \$1.00 per acre per year. This amount was reduced from \$1.25 per acre in 1980. After reviewing the rent charged by the BLM and surrounding states, the rental amount seems fair. New Mexico's rate is lower (\$.10-\$1.00 per acre) but their royalty rate ranges from 12.5% - 20%. Due to the lack of production the State Land Department has relied on rental income for the Trust.

Issue 5

Leasing Procedure for geothermal exploration on State Trust land. Currently, the rental rate for geothermal exploration is \$1.00 per acre. Unfortunately, all geothermal applications are required to go through public auction. Prior to the completion of the rules and regulations regarding geothermal exploration, a moratorium on leasing was put into place while areas of known geothermal resources were mapped. These were areas requiring public auctions for lease acquisition. Unfortunately, the statutes do not address areas outside these areas of known geothermal resources. Therefore, all Trust lands require a public auction prior to issuing a geothermal lease. The expense of advertising cost and time associated with this lengthy process could discourage geothermal exploration on Trust land.



High Plains Petroleum Corporation

3860 Carlock Dr. Boulder, CO 80303 303-494-4529

Agenda item 6

June 27, 1995

Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, Arizona 85701

Attention: Mr. Steven L. Rauzi
Oil & Gas Program Administrator

Re: Encouraging exploration
in Arizona

Dear Steve,

Please excuse the delay in responding to your letter with regard to changes or incentives that might stimulate new drilling and exploration in Arizona. As we discussed in our telephone conversation earlier this month, the state's limitation of 15,360 acres of state land per individual discourages, or severely hampers exploration in Arizona, because multiwell programs involving substantial acreage are absolutely essential in Arizona's nonproductive basins where there is little information and a high probability of failure. In the Holbrook Basin, where High Plains is focusing its exploration effort, there are large structures, such as the St. Johns Anticline that covers 20,880 acres. As a result, the present limitation on state acreage has limited drilling to one of High Plains' prospects and has prevented High Plains from obtaining the multiwell commitment necessary for success in that basin, which as yet has no oil or natural gas production, other than helium. The state's limitation almost assures failure in that area and other areas of the state where large blocks of state acreage are needed, because an operator is certain to be discouraged by a single dry hole, and may not drill enough wells for the encouragement, or "shows", that could lead to the discovery of commercial quantities of oil and gas.

The lease rental rate of \$1/acre that is charged by the State of Arizona and the assignment fee of \$200 per lease are excessive, so they're also deterrents to exploration. That rental rate is at least four times the 15 to 25 /acre that is charged by the State of New Mexico in similar nonproductive basins, and the assignment fee is over six times the State of New Mexico's assignment fee of \$30. On the large structures in the Holbrook Basin, the Black Mesa Basin and the Arizona Strip, those costs definitely discourage drilling and needed exploration, so they need to be reduced and brought into line with the surrounding states.

Changes in these three areas should provide added incentive to the oil and gas industry, particularly the independents, who do most of the remote frontier exploration, and the State of Arizona should benefit from increased leasing and drilling, which hopefully will result in revenue from royalty, production and taxes as well.

Sincerely,

John B. Somers II
John B. Somers II
President

High Plains Petroleum



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

May 30, 1995

Memo: Commissioners
From: Steve Rauzi *SR*

On May 17 I received a letter from Commissioner James Lanshe asking me to consider two issues: (1) the limitation on leasable acreage in Arizona and (2) Section 14 of the standard State Lease Form.

I reviewed the letter with Larry, and called and discussed it with Chairman Dale Nations. Dale asked me to draft the enclosed letter to the State Land Commissioner (ex-officio member of the Oil and Gas Commission), and provide a copy to each of you. This letter invites the State Land Commissioner to discuss the issues in your September 15, 1995, meeting.

You may recall that Mr. Barry Moody, State Land Department, discussed the limitation on state acreage in your October 28, 1995, meeting. Oil and gas leases on state acreage are limited to 15,360 acres per individual, whereas the limitation on federal acreage is 230,000 acres per individual. He also noted that plans to increase this limitation were being considered by the Land Department.



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

May 19, 1995

Mr. M.J. Hassell, Land Commissioner
State Land Department
1616 West Adams Street
Phoenix, Arizona 85007

Dear Mr. Hassell:

As you know, a long-term goal of the Oil and Gas Conservation Commission is to improve the state's image for purposes of oil and gas operations. In connection with this goal, the Commission recognizes two issues that would require your cooperation.

First, the Commission suggests that the state consider expanding the limitation on leasable acreage. The present limits are considered too restrictive by some operators.

Second, Section 14 of the standard State Lease Form contains an onerous provision that, perhaps, should be eliminated. At the present time, that provision could be construed to allow the state to condemn, essentially without compensation, producing oil and gas properties that have been leased from the state. Clearly, that would be a disincentive and work against the purpose of promoting oil and gas exploration activities.

The Commission invites you to discuss these issues in our next meeting on September 15, 1995. We appreciate your kind cooperation in looking into these matters.

Sincerely,

OIL AND GAS CONSERVATION COMMISSION

J. Dale Nations
Chairman



Norcross

Securities Inc.
Investment Bankers

May 17, 1995

Mr. Steven L. Rauzi
Oil and Gas Program Administrator
Arizona Geological Survey
845 North Park, #100
Tucson, Arizona 85719

Dear Steve:

Just a brief note to comment upon two issues you may want to consider in connection with improving the state's image for purposes of oil and gas operations. First, you may want to suggest that the state consider expanding the limitation on leasable acreage. The present limits may be considered somewhat confining by some operators.

Second, Section 14 of the standard State Lease Form contains an onerous provision which should be eliminated. At the present time, that provision could be construed to allow the state to condemn, essentially without compensation, producing oil and gas properties which have been leased from the state. Clearly, that would be a disincentive and work against the purpose of promoting oil and gas exploration activities.

As always, I appreciate your kind cooperation in looking into these matters.

Very truly yours,


James C. Lanshe
Chairman

JCL:ja



Norcross

Securities Inc.
Investment Bankers

March 22, 1995

Ms. Karen Zanzucchi
Scheduler for the Governor
Office of the Governor
1700 West Washington
Phoenix, Arizona 85007

IN RE: Arizona Oil and Gas Commission

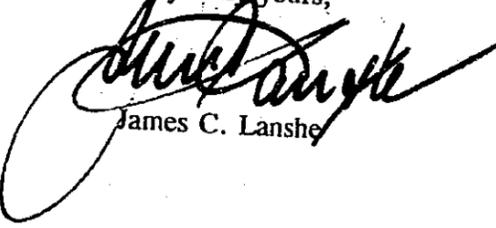
Dear Ms. Zanzucchi:

I am writing as a member of the Oil and Gas Commission and following my recent conversation with Joseph Lane, Executive Assistant for the Governor. Specifically, I am herewith requesting a brief meeting with the Governor by a representative group of the commission, including two of its professional staff, to discuss the probable existence of commercially viable quantities of oil and gas in the state of Arizona, as well as any potential legislative incentives the Governor may want to consider to help stimulate the development of these resources. This would be a follow-up meeting with the Governor, as he requested at the time of our previous meeting with him on this subject.

Your kind cooperation in letting me know of a convenient date and time for such a discussion would be very much appreciated. It is not anticipated that the meeting would require more than twenty minutes of the Governor's time.

Again, my thanks.

Very truly yours,


James C. Lanshe

JCL:ja

bcc: Mr. Steven L. Rauzi

Joe Lane advised LDF that Governor would support incentive legislation but has decided not to meet or initiate such action through his office / SLR April 95

645 East Missouri Avenue, Missouri Falls Bldg., Phoenix, Arizona 85012 Phone: (602) 234-5555 Fax: (602) 230-7455

MEMBER PACIFIC STOCK EXCHANGE • NASD • SIPC • SIA



Norcross

Securities Inc.
Investment Bankers

March 22, 1995

Ms. Karen Zanzucchi
Scheduler for the Governor
Office of the Governor
1700 West Washington
Phoenix, Arizona 85007

IN RE: Arizona Oil and Gas Commission

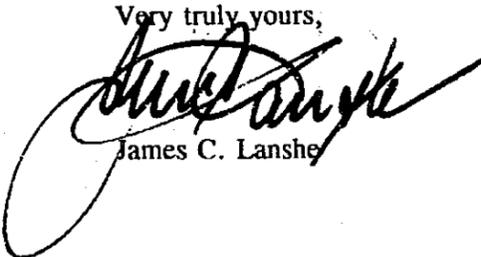
Dear Ms. Zanzucchi:

I am writing as a member of the Oil and Gas Commission and following my recent conversation with Joseph Lane, Executive Assistant for the Governor. Specifically, I am herewith requesting a brief meeting with the Governor by a representative group of the commission, including two of its professional staff, to discuss the probable existence of commercially viable quantities of oil and gas in the state of Arizona, as well as any potential legislative incentives the Governor may want to consider to help stimulate the development of these resources. This would be a follow-up meeting with the Governor, as he requested at the time of our previous meeting with him on this subject.

Your kind cooperation in letting me know of a convenient date and time for such a discussion would be very much appreciated. It is not anticipated that the meeting would require more than twenty minutes of the Governor's time.

Again, my thanks.

Very truly yours,


James C. Lanshe

JCL:ja

bcc: Mr. Steven L. Rauzi

Joe Lane advised LDF that Governor would support incentive legislation but has decided not to meet or initiate such action through his office / SLR April 95

645 East Missouri Avenue, Missouri Falls Bldg., Phoenix, Arizona 85012 Phone: (602) 234-5555 Fax: (602) 230-7455

MEMBER PACIFIC STOCK EXCHANGE • NASD • SIPC • SIA

est and Kanamatsu 20% in the Wiriagar well.

In a mountainous, forested area south of Wiriagar, ARCO has been drilling the 1 Babo East Onin wildcat, using a continuous coring, slimhole heling for the job. Duncan notes that in addition to the environmental benefits of the rig's drillsite of only 1 acre, the rig is more economical than a conventional rig. Other steps are being taken to protect and renovate the local environment.

Because of the remoteness of the Babo location, Duncan says, the accumulation needs to be large for oil or gas. The well was spudded last fall but has not reached projected depth because of mechanical problems.

"We'll go back in a few months to do a sidetrack," Duncan said. "If the Babo well is successful, there will be two or three more large structures to test."

On the Babo well, interests are operator ARCO 40%, Mobil Oil Indonesia 40%, and Kanamatsu 20%.

An ARCO Indonesia wildcat in Sulawesi also requires extra environmental precautions. Duncan said, "The two wells we're drilling this spring on

the Kalosi block also employ a slimhole drilling rig...The locations are in hilly, rain forest terrain close to small villages."

ARCO, which is looking at 100 million bbl targets, ran an extensive seismic survey in this rugged part of Sulawesi in 1993 using pack mules. The first wildcat, 1 Tondon, spudded Apr. 1, and the shallow well was programmed to reach total depth in May. ARCO was to spud a second well, 1 Loka, soon after that.

Indonesia plans, potential

ARCO will drill four wildcats in the eastern frontier this year, spending \$30 million. The company will spend \$15 million to drill three wildcats on the Kangean block this year. Plans call for another \$25 million to drill seven wildcats and delineation wells in the Java Sea.

Asbury notes that in recent years oil activity has slowed a bit in Indonesia, as many major firms have transferred exploration programs to China and Viet Nam, where terms are better and potential may be greater.

"We think Indonesia remains attrac-

tive," says Asbury. "The economy is growing rapidly, and the demand for gas is strong. It's a proven oil and gas area, and the government is stable."

"We have a competitive edge because we have large amounts of gas near the population centers of Java. And Indonesia's eastern frontier has large potential."

ARCO is studying the possibility of buying or building a power generation plant in Indonesia. This, Asbury notes, would provide ARCO with a built-in customer for its gas.

"We're in Indonesia for the long term," says Asbury. "We have been here 25 years and know the country. Our experience gives us an advantage."

ARCO Indonesia expects to earn close to \$70 million this year and to be earning \$100 million/year by 1997, even with no further discoveries.

Asbury said, "ARCO Indonesia took a dip in the late 1980s and early 1990s. But we're making a comeback. And we're determined to be a major player in Indonesia. Indonesia continues to be one of the foundations of ARCO's overseas expansion."

Many of the government's system tolerances are so low that in pursuing such small differences, the government spends more money than is recovered in additional royalties."

Jim Magagna, Wyoming's state land director, said Interior based its devolvement on his state's 1993 proposal to assume collection of federal royalties.

He said the 1993 plan has "limited applicability" because the state has implemented an automated collection system that changes the assumptions.

Magagna said one of the ideas the states are discussing calls for MMS to deed minerals to states with small amounts of federal mineral royalties and take an overriding royalty in states with large amounts.

"Under this scenario," he said, "there would be no inherently federal function to blur lines of authority between the federal and state government. The states would own all the minerals and perform all the functions, while the federal government would simply get a royalty check each month."

"Another possibility is for the states to develop a uniform reporting and remittance form and procedure."

DPC, IPAA

Larry Nichols, president of Devon Energy Corp., Oklahoma City, testified for the Domestic Petroleum Council and the Independent Petroleum Association of America. He is DPC president.

He said Interior would transfer only MMS' royalty collection functions but retain authority to set royalty policy, determine values, issue rules, enforce lease terms, and settle disputes.

"The Interior Department believes these functions cannot constitutionally be delegated to the states because they involve the exercise of executive power and must therefore be performed by employees of the executive branch," Nichols said.

"The administration proposal thus simply shifts much more of the cost of running the program to the states without empowering them to make policy decisions that might result in significant cost reductions."

Gary Junco, president of Enserch Exploration Inc., Dallas, said industry prefers to deal with one entity, MMS, rather than 67 states and tribes.

He said dealing with more entities will increase administrative costs for producers, with the long term effect of decreased exploration and production and lower bonuses and royalties.

Junco said states are likely to raise severance taxes and fees to cover their higher costs.

U.S. states eye role in collecting federal royalty

U.S. producing states are drafting a plan that would let them assume the Minerals Management Service's royalty collection functions.

The plan is a counteroffer to the Interior Department's proposal to abolish MMS and let 38 producing states and 29 Indian tribes collect royalties (OG), Apr. 3, p. 38).

After subtracting 25% of collection costs, MMS gives 50% of royalties to states where federal leases are located. Under the producing states' proposal, royalties and costs would be split evenly.

Interior also proposed moving the Bureau of Land Management's lease inspection functions to states and tribes. MMS oil and gas leasing functions would be shifted to another Interior bureau.

Interior said the actions would save about \$59.8 million during 4 years.

Oil associations criticized the MMS "devolvement" proposal, but states were cautiously enthusiastic at a House resources subcommittee hearing.

Rep. Ken Calvert (R-Calif.) said now that Interior Sec. Bruce Babbitt has made the proposal "there simply is no closing the lid and sustaining the status quo."

Sylvia Baca, a deputy assistant Interior secretary, said Interior officials

will meet this month with states, tribes, and industry groups to provide more information about the proposal and discuss alternatives.

logcc committee

Christine Hansen, Interstate Oil & Gas Compact Commission executive director, said oil state governors have set up a committee to develop a counterproposal. Individual states also are reviewing whether they can or want to assume MMS royalty collection functions.

Hansen said the logcc committee is examining the issue from the perspective of states with large small federal royalty payments.

She said small states may propose some "creative alternatives." She noted that Tennessee's share of federal royalties was \$57.46 in the first quarter.

"Perhaps there is something else the federal government could do with that Tennessee leasehold than collect a royalty, process it, audit it, and split the net with the state amounting to \$57.46. It might be more cost effective to give the lease to Tennessee."

Rocky Mountain viewpoint

Diemer True, a partner in True Oil Co., Casper, Wyo., testified for the Independent Petroleum Association of Mountain States.

He said Interior's proposal "leaves the impression that Interior has no interest in managing the nation's vast mineral resources and seems intent on discouraging development of oil and gas by independent producers on federal lands."

Ipams believes the federal government should totally transfer the federal mineral and surface estate to the states. "In the long term, we believe this would lead to overall reduction of government and (yield) economic prosperity for the Rocky Mountain region."

The Rocky Mountain Oil & Gas Association said the devolvement proposal was ironic because MMS was established in 1982 after the government decided it needed centralized production reporting and royalty collection systems. It said DOI's 1992 Mineral Royalty Transfer Study found that very few MMS functions could be transferred without losing economies of scale.

Rmoga recommended that MMS simplify its valuation of oil and gas sales and reporting requirements.

It also said MMS requires an accuracy that is not cost effective. "Measuring, tracing, and accounting for oil and gas production is not an exact science."



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

MEMO

TO: Board Member Training Development Team
Attn: Ron Dalrymple, Director, Board of Technical Registration
1951 W. Camelback, Suite 250
Phoenix, Arizona 85015
Phone (602) 255-4053

FROM: ^{SUB} Steven L. Rauzi, Oil & Gas Program Administrator

DATE: August 9, 1995

RE: Registration for September 27th Training Session

Completed registration forms for the Oil and Gas Conservation Commission are enclosed. Three Commissioners plan to attend: Donald Clay, Dale Nations, and Lisa Worthington. Commissioner James Lanshe is unable to commit at this time, and Commissioner Zed Veale will be out of the country.

Please advise if I may be of further assistance.

STATE OF ARIZONA
Board and Commission Member Training

Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:30 AM - 4:00 PM

REGISTRATION FORM

Registration Deadline is August 15, 1995

- I am able to attend board/commission member training on September 27, 1995
 I am unable to attend board/commission member training on September 27, 1995

Name Donald Clay

Board or Commission Affiliation Oil and Gas Conservation Commission

Address 4357 Charro Ln Yuma AZ 85365

Tel: 520-726-7690 FAX: _____

Special Requirements:

Morning and afternoon break compliments of the Arizona Chamber of Commerce

Mail completed registration form to the Executive Director of your respective Board or Commission.
All registration forms must be received by August 15, 1995.
Remember, there is no cost for this training.

Questions?? Contact Ronald Dalrymple at (602) 255-4053 or by FAX at (602) 255-4051

STATE OF ARIZONA
Board and Commission Member Training

Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:30 AM - 4:00 PM

REGISTRATION FORM

Registration Deadline is August 15, 1995

UNABLE TO COMMIT AT THIS TIME

I am able to attend board/commission member training on September 27, 1995

I am unable to attend board/commission member training on September 27, 1995

Name James Lanshe

Board or Commission Affiliation Oil & Gas Conservation Comm.

Address 8620 N. 55th PL, Paradise Valley, AZ 85253

Tel: 234-5555 FAX: _____

Special Requirements:

Morning and afternoon break compliments of the Arizona Chamber of Commerce

Mail completed registration form to the Executive Director of your respective Board or Commission.
All registration forms must be received by August 15, 1995.
Remember, there is no cost for this training.

Questions?? Contact Ronald Dalrymple at (602) 255-4053 or by FAX at (602) 255-4051

STATE OF ARIZONA
Board and Commission Member Training

Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:30 AM - 4:00 PM

REGISTRATION FORM

Registration Deadline is August 15, 1995

I am able to attend board/commission member training on September 27, 1995

I am unable to attend board/commission member training on September 27, 1995

Name Dale Nations

Board or Commission Affiliation Az. Oil & Gas Conservation Com.

Address Geology Dept., Box 4099, No. Ariz. Univ., Flagstaff, AZ

Tel: 520-523-7180 FAX: 520-523-9220 86041

Special Requirements:

Morning and afternoon break compliments of the Arizona Chamber of Commerce

Mail completed registration form to the Executive Director of your respective Board or Commission.
All registration forms must be received by August 15, 1995.
Remember, there is no cost for this training.

Questions?? Contact Ronald Dalrymple at (602) 255-4053 or by FAX at (602) 255-4051

STATE OF ARIZONA
Board and Commission Member Training

Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:30 AM - 4:00 PM

REGISTRATION FORM

Registration Deadline is August 15, 1995

I am able to attend board/commission member training on September 27, 1995

I am unable to attend board/commission member training on September 27, 1995

Name LISA C. Worthington

Board or Commission Affiliation Oil and Gas Conservation Commission

Address 1501 E. Captain Dreyfus Ave, PHX, AZ 85022

Tel: 863 3096 FAX: _____

Special Requirements:

Morning and afternoon break compliments of the Arizona Chamber of Commerce

Mail completed registration form to the Executive Director of your respective Board or Commission.
All registration forms must be received by August 15, 1995.
Remember, there is no cost for this training.

Questions?? Contact Ronald Dalrymple at (602) 255-4053 or by FAX at (602) 255-4051

STATE OF ARIZONA
Board and Commission Member Training

Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:30 AM - 4:00 PM

REGISTRATION FORM

Registration Deadline is August 15, 1995

I am able to attend board/commission member training on September 27, 1995

I am unable to attend board/commission member training on September 27, 1995

Name ZED VEALE

Board or Commission Affiliation OIL & GAS COMM

Address 3605 PARADISE RD., FLAGSTAFF, AZ. 86004

Tel: 520-779-0051 FAX: _____

Special Requirements: I leave for South Korea on
Sept 26th. Veterans re-visit program
hosted by the government of South Korea
Morning and afternoon break compliments of the Arizona Chamber of Commerce

Mail completed registration form to the Executive Director of your respective Board or Commission.
All registration forms must be received by August 15, 1995.
Remember, there is no cost for this training.

Questions?? Contact Ronald Dalrymple at (602) 255-4053 or by FAX at (602) 255-4051



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

July 19, 1995

Memo: Commissioners
From: Steve Rauzi

I have enclosed a copy of Governor Symington's personal invitation to board and commission members to attend a one day training event to be held in Phoenix on Wednesday, September 27 from 8:30 a.m. to 4:00 p.m. This is the training that Larry advised you of in your March 17 meeting.

The invitation packet contains a registration form, a program for the training event, and a map showing the location of the training center and nearby hotels. Please return the registration form to this office as soon as possible before August 15.

We will handle reimbursement for the training event similar to that for a regular meeting. We will reimburse mileage to and from the training and lunch on the day of the training. For Commissioners living out of the Phoenix area (Clay, Nations, and Veale) we will reimburse the evening meal and lodging on the night before the training. Please be advised that you must submit your lodging receipt for reimbursement and that the State allows a maximum reimbursement of \$60.00 for lodging and \$15.00 for the evening meal in the Phoenix metro area. Also, remember to record your exact starting and ending mileage for reimbursement of mileage. Please let me know if you have any questions or if I may be of further assistance.

Finally, let me take this opportunity to advise you of our new office location at 416 West Congress, Suite 100, Tucson, Arizona 85701. We are about two blocks east of the I-10 freeway, just take the Congress exit east. Our phone number is (520) 770-3500. Our fax number is 770-3505. Come and visit us the next time you are in Tucson.



STATE OF ARIZONA
EXECUTIVE OFFICE

FIFE SYMINGTON
Governor

July 15, 1995

Dear Arizona State Board or Commission Member:

It is with great excitement that I extend to you my personal invitation to attend an upcoming one-day board and commission member training event.

This training is a direct result of input from our state boards and commissions. All aspects of this training have been developed *by* and *for* current Arizona State Board and Commission members. Guest presenters will represent diverse areas of state government which collectively have an impact on how you do your job as a state board or commission member. Program highlights and registration information are attached for your review. Please reserve the time to attend this event:

State of Arizona Board and Commission Member Training

Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

Wednesday, September 27, 1995
8:30 AM - 4:00 PM

I believe that this *no cost training* will be extremely beneficial as we move forward to make Arizona government more efficient and cost-effective while, at the same time, protecting the consumer needs of the citizens of Arizona.

Sincerely,

Fife Symington
GOVERNOR

FS:JL

STATE OF ARIZONA
Board and Commission Member Training
Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:30 AM - 4:00 PM

REGISTRATION FORM

Registration Deadline is August 15, 1995

I am able to attend board/commission member training on September 27, 1995

I am unable to attend board/commission member training on September 27, 1995

Name _____

Board or Commission Affiliation _____

Address _____

Tel: _____ FAX: _____

Special Requirements:

Morning and afternoon break compliments of the Arizona Chamber of Commerce

Mail completed registration form to the Executive Director of your respective Board or Commission.
All registration forms must be received by August 15, 1995.
Remember, there is no cost for this training.

Questions?? Contact Ronald Dalrymple at (602) 255-4053 or by FAX at (602) 255-4051

STATE OF ARIZONA
Board and Commission Member Training
Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:00 AM - 4:00 PM
PROGRAM

8:00 - 8:30 AM REGISTRATION

8:30 - 8:45 AM OPENING REMARKS

8:45 - 9:00 AM GENERAL SESSION - "Welcome"

- Sharing of the Governor's vision for Arizona
- The Board and Commission Members' importance to the Citizens of Arizona

9:00 - 10:00 AM BOARD ROLES AND RESPONSIBILITIES

Familiarize and understand the extent of responsibility for the following:

- Statutory authority/responsibility
- Why Boards and Commissions exist
- Responsibility to direct and monitor agency operations
- Board liability

10:00 - 10:15 BREAK

Compliments of the Arizona Chamber of Commerce

STATE OF ARIZONA
Board and Commission Member Training
Bureau of Land Management National Training Center
9828 N. 31st Avenue, Phoenix, AZ

September 27, 1995
8:00 AM - 4:00 PM
PROGRAM

8:00 - 8:30 AM REGISTRATION

8:30 - 8:45 AM OPENING REMARKS

8:45 - 9:00 AM GENERAL SESSION - "Welcome"

- Sharing of the Governor's vision for Arizona
- The Board and Commission Members' importance to the Citizens of Arizona

9:00 - 10:00 AM BOARD ROLES AND RESPONSIBILITIES

Familiarize and understand the extent of responsibility for the following:

- Statutory authority/responsibility
- Why Boards and Commissions exist
- Responsibility to direct and monitor agency operations
- Board liability

10:00 - 10:15 BREAK

Compliments of the Arizona Chamber of Commerce

10:15 - 11:30 AM BOARD MEETING PROCEDURES

- Open Meeting Law
- Executive Session
- Parliamentary Procedures
- Formal and Informal Hearings

11:30 - 11:45 AM Questions and Answers

11:45 - 1:00 PM LUNCH - On your own

1:00 - 2:00 PM BOARD ETHICS AND BEHAVIOR

- Publics' expectation of board and commission members
- Board and commission members as "state employees"
- Establishing a culture of contemporary governness

2:00 - 2:15 PM BREAK

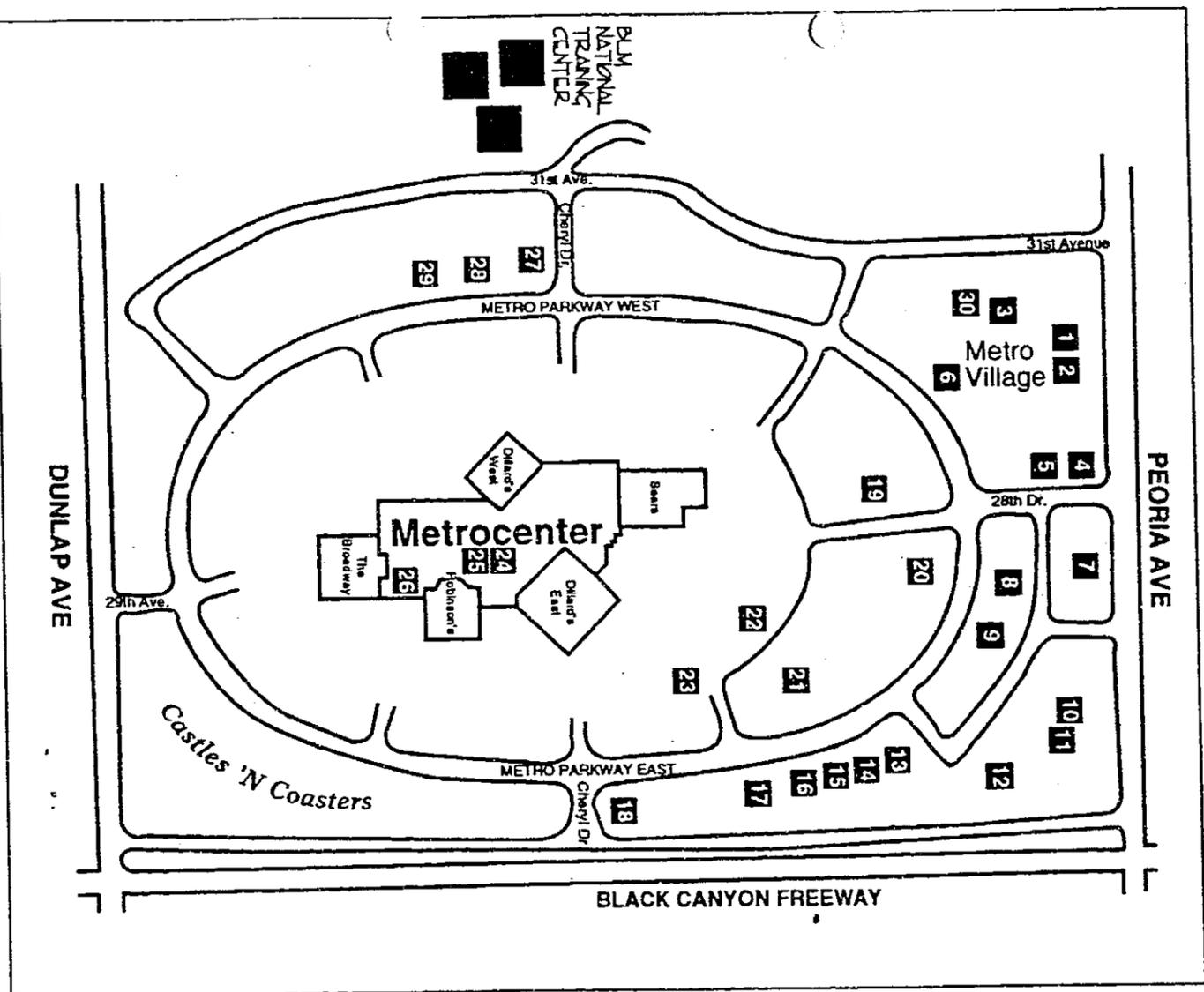
Compliments of the Arizona Chamber of Commerce

2:15 - 3:30 PM BUDGET, RULE MAKING & THE LEGISLATIVE PROCESS

- Process for promulgating and reviewing rules
- Sunset Reviews
- Legislative process
- Budget process and role in getting Legislative approval

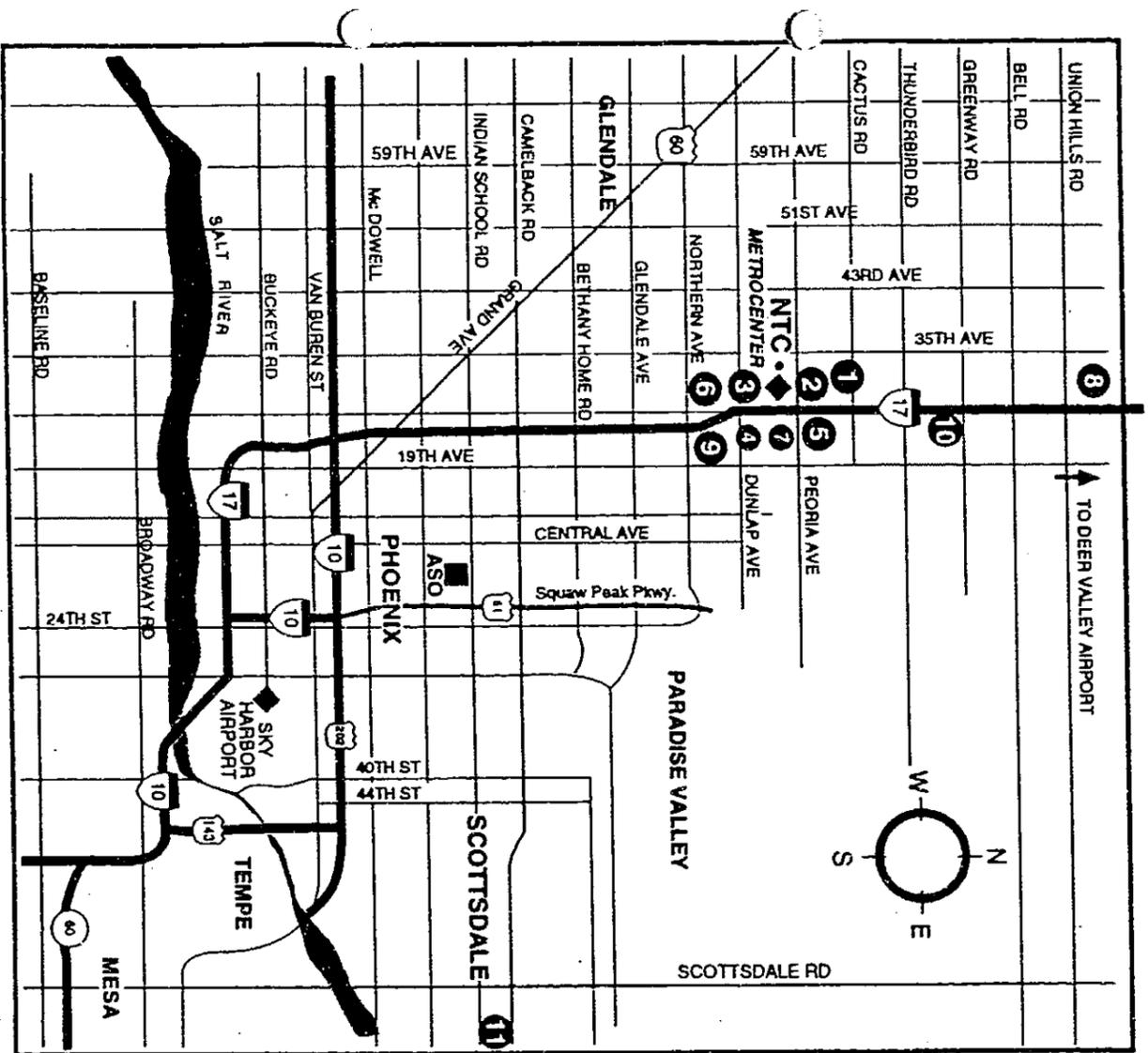
3:30 - 3:45 PM Questions and Answers

3:45 - 4:00 PM Closing Remarks



What's around Metro?

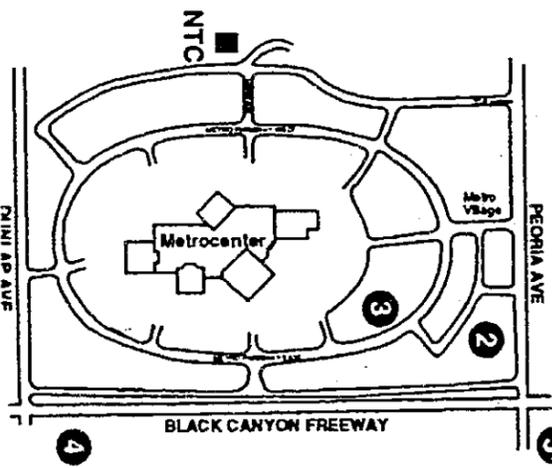
- 1 China Gate
- 2 Wendy's
- 3 Yogurt Cup
- 4 Sizzler
- 5 Swensen's Ice Cream
- 6 Pancho's Mexican Buffet
- 7 Burger King
- 8 China Inn
- 9 Olive Garden
- 10 Ribstiers Flashback
- 11 Coco's
- 12 Premier Inns Hotel
- 13 Tsang's Chinese Restaurant
- 14 The Italian Cafe
- 15 Bennigan's
- 16 El Torito
- 17 Stuart Anderson's Black Angus
- 18 Souper Salads
- 19 Hungry Hunter
- 20 Whataburger
- 21 Wyndham Metrocenter Restaurant
- 22 United Artists Metro Park Cinema
- 23 Peter Piper Pizza
- 24 Metro Food Court
- 25 Harkins Metro Movies
- 26 McDonald's
- 27 Old Country Buffet
- 28 Trader Joe's
- 29 YC's Mongolian BBQ
- 30 AMC Metro Village 6 Theaters



- 1 Ramada Inn
12027 N. 28th Drive
(602) 866-7000
- 2 Premier Inns, Metrocenter
10402 N. Black Canyon Hwy.
(602) 943-2371
- 3 Wyndham Metrocenter
10220 N. MetroPky East
(602) 987-5900
- 4 Crescent Hotel
2620 West Dunlap Ave.
(602) 943-8200
- 5 Holiday Inn, Metrocenter
2532 West Peoria Ave.
(602) 943-2341
- 6 Residence Inn
8242 N. Black Canyon Fwy.
(602) 864-1900
- 7 Court Yard by Marriott
9631 N. Black Canyon Hwy.
(602) 944-7373
- 8 Wyndham Garden Hotels
2641 W. Union Hills Dr.
(602) 978-2222
- 9 Hampton Inn
8101 N. Black Canyon Hwy
(602) 884-6233
- 10 Fountain Suites Hotel
2577 W. Greenway Rd.
(602) 375-1777
- 11 Holiday Inn Scottsdale
7353 East Indian School R
Scottsdale, Arizona 85251
(800) 695-6995

- BLM National Training Center
9828 N. 31st Ave.
(602) 908-5500
- BLM Arizona State Office
3707 N. 7th Street
(602) 650-0200

METROCENTER AREA MAP



7-12-95

Mike Ball, ADWR, 417-2470 ext. 7141

ADWR
500 N 3rd St
Phx 85004

Norton Dtlg in office to take trade exam.
Water dtlg exam not really appropriate for oil drillers.
*(asterisk) on gen. dtlgs requires exam.
ADWR rules clearly exempt oil dtlgs.

Allen Felber, ROC, 542-1502

500 W. Wash
Phx 85007

Administered business management exam
Sent Norton to ADWR for trade exam.*
* Except that ADWR rule exempts oil dtlgs.

Dick George (under Felber, ROC) opinion that

- 1) since doing work for someone else needs to exam.
- 2) that exam is sticking point.

∴ trade exam needs to be looked @

discussed with LDF + called to advise IDN as agenda item to discuss
with Ball, Felber, + get legal opinion on resolution of matter.

AOGCC MTG SEPTEMBER 15, 1995

NAME

REPRESENTING

BARRY MOODY
Ken Rozen
BENJ I. DULSKY

JLD
ASLD 542-2684
AEO