

OIL & GAS CONSERVATION COMMISSION  
— MINUTES OF MEETING / MARCH 14, 1997 —  
STEVEN L RAUZI, OIL & GAS 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 March 14, 1997, at 10:00 a.m. in Room 400 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 and Executive Session of January 10, 1997
3. Statement of Director and State Geologist
4. Report of Oil & Gas Program Administrator
5. Oral proceeding to adopt amended A.A.C. R12-7-104 and R12-7-183
6. Call to the public
7. Announcements
8. 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 3rd day of March 1997

**OIL AND GAS CONSERVATION COMMISSION**

Steven L. Rauzi  
Oil and Gas Program Administrator

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. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Program Administrator at the letterhead address. Requests should be made as early as possible to allow time to arrange the accommodation.



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**OIL AND GAS CONSERVATION COMMISSION**

416 West Congress #100  
Tucson, Arizona 85701

Minutes of Meeting  
January 10, 1997

Present:

Dr. J. Dale Nations, Chairman  
Dr. Donald C. Clay, Member  
Mr. James C. Lanshe, Member  
Mr. Zed Veale, Member  
Dr. Larry D. Fellows, Director and State Geologist  
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

The regular Commission Meeting of January 10, 1997, was called to order by Dr. J. Dale Nations, Chairman, at 10:00 a.m. in Room 500, State Capitol Tower, Phoenix, Arizona.

APPROVAL OF THE MINUTES OF MEETING OF MAY 17, 1996

Dr. Clay moved, seconded by Mr. Veale:

THAT THE MINUTES OF THE MEETING OF MAY 17, 1996, BE  
ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows discussed the 1996 annual report, latest issue of Arizona Geology, and the new descriptive brochures and topical publication lists. He handed out copies of the brochures and publication lists. Dr. Fellows reported that the next biennial budget was submitted and that funds for IOGCC dues and travel were requested. Dr. Nations discussed his meeting with Mr. Joe Lane about funding IOGCC. Mr. Lanshe complimented Dr. Fellows on Arizona Geology. Dr. Fellows noted that about 4,500 people receive Arizona Geology.

REPORT OF 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 he completed two Open-file reports about oil and gas potential and storage opportunities in Arizona, and an article about a possible evaporite basin in the White Mountains area that was published in Oil & Gas Journal. Mr. Rauzi reported that leasing on State Trust land increased from 105,000 acres in December 1995 to 246,000 acres in December 1996, whereas leasing of federal land decreased from 99,000 to 80,000 acres.

DISCUSSION AND VOTE TO FORFEIT UNITED GAS SEARCH BOND

Mr. Rauzi reviewed the matter of the performance bond and advised that a copy of the agenda was sent to both United Gas Search Company and Rodney Ratheal of Premco Western Company, both of whom had requested refund of the bond. Mr. Steadman was present to give legal counsel.

Mr. Lanshe moved, seconded by Dr. Clay:

THAT THE COMMISSION GO INTO EXECUTIVE SESSION

Motion carried unanimously. At 10:45 a.m. the executive session began.

The regular meeting resumed at 11:10 a.m.

Mr. Lanshe moved, seconded by Dr. Clay:

THAT THE \$5,000 UNITED GAS SEARCH BOND POSTED WITH THE COMMISSION BE FORFEITED

Motion carried unanimously.

Mr. Lanshe moved, seconded by Mr. Veale:

THAT THE COMMISSION AUTHORIZE THE ADMINISTRATOR TO RECEIVE A LIST OF COSTS INCURRED BY MY FATHER'S OIL, RODNEY RATHEAL, OR PREMCO WESTERN IN CONNECTION WITH THE RESTORATION OF THE PROPOSED WELL SITE IN QUESTION AND THAT HE BE AUTHORIZED TO PAY UP TO \$5,000 FOR ANY LEGITIMATE EXPENSES ASSOCIATED WITH THE COSTS OF RESTORATION INCURRED BY THOSE PARTIES

Mr. Lanshe amended his motion, seconded by Mr. Veale:

THAT PAYMENT BE MADE SUBJECT TO APPROVAL AND WRITTEN CONCURRENCE FROM COUNSEL

Motion carried unanimously.

DISCUSSION OF FIVE-YEAR REVIEW OF TITLE 12, CHAPTER 7, ARTICLE 1

Mr. Rauzi reported that the Governor's Regulatory Review Council approved the 5-year report as submitted. The report noted that two rules would be amended by June 1997.

DISCUSSION OF LICENSING TIME-FRAME REQUIREMENTS

Mr. Rauzi discussed the recently enacted time-frame statute, A.R.S. § 41-1073, and reviewed new language in A.A.C. R12-7-104 and R12-7-183 that would make the two rules consistent with the time-frame statute. Dr. Nations signed the agency certificate certifying that the two rules were true and correct as proposed. The Commission set March 14, 1997, as the hearing date for public comment and to adopt the amended rules.

CALL TO THE PUBLIC

Mr. Haas advised that the next oil and gas lease sale of federal lands in Arizona is expected soon. He noted that interest has been widespread, with specific interest in the White Mountain area, the Arizona Strip, and the Holbrook Basin. He reported that several inquiries about leasing in the White Mountain area were received after Mr. Rauzi's article was published in the Oil & Gas Journal. Mr. Haas reported on a Salt River-Pima-Maricopa Indian Community proposal to produce methane gas from landfills on their lands.

ANNOUNCEMENTS

The next meeting was scheduled for 10:00 a.m. on March 14, 1997, in Room 400 of the Capitol Tower in Phoenix.

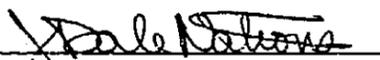
ADJOURNMENT

Dr. Clay moved, seconded by Mr. Veale:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:50 a.m.

APPROVED

  
Dr. J. Dale Nations  
Chairman

GUESTS IN ATTENDANCE:

Marc T. Steadman	Office of the Attorney General
John Haas	Bureau of Land Management
Chet Oakley	Arizona State Land Department
Bill Greeney	Office of Strategic Planning and Budgeting



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Larry D. Fellows  
Director and State Geologist

March 3, 1997

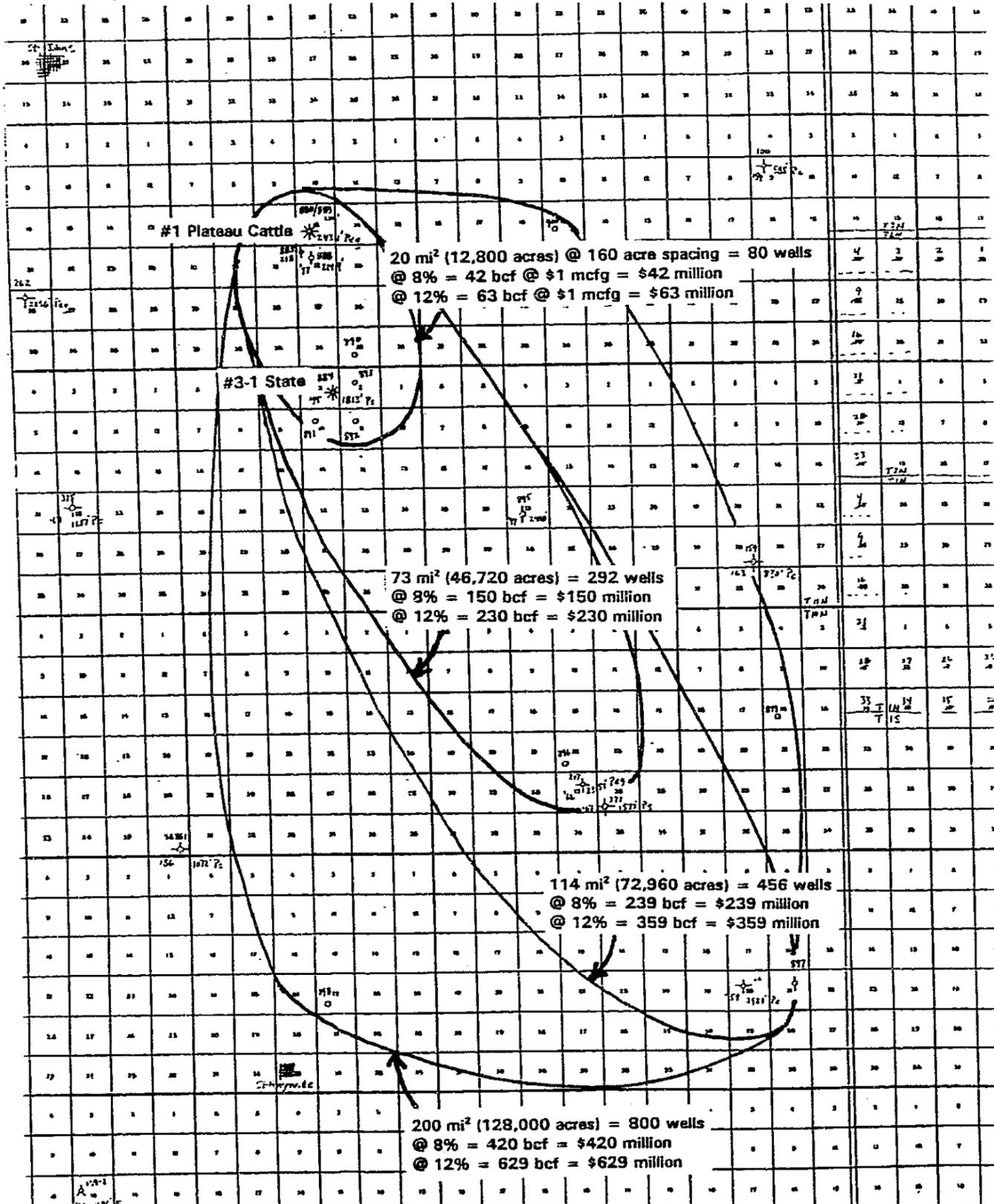
To: **Oil and Gas Conservation Commissioners**  
From: *SLR* Steven L. Rauzi, Oil and Gas Program Administrator  
Re: **Activity Report for March 14, 1997, Meeting**

Three permits were issued and two wells were drilled since your last meeting on January 10. Ridgeway Arizona Oil Company plans to drill 4 wells and possibly more to further delineate its CO<sub>2</sub> play near St. Johns.

I have received all of the receipts for the restoration of the United Gas Search location and the General Accounting Office has advised that we have signature authority for the amount, which is about \$4,300. We are withholding reimbursement, however, until we receive written approval to proceed from the Attorney General's Office.

Pursuant to A.R.S. § 41-1073, agencies that issue licenses shall adopt by rule no later than December 31, 1998, an overall time frame during which the agency will either grant or deny the license it issues. The Governor's Regulatory Review Council has scheduled submission of our rulemaking for June 1997. The last day for written comments on this rulemaking is March 10. No written or oral comments have yet been received. The oral proceeding for this rulemaking is set for agenda item 5.

Preliminary estimates of potential of Ridgeway's CO<sub>2</sub> play  
 Two zones tested in the #1 Plateau Cattle well had good flow rates of CO<sub>2</sub>.  
 Logs indicated 53 feet of gas reservoir with an average porosity of 30%.  
 Regional estimates are based on 8% porosity (low case) and 12% (high case).



## RULEMAKING DOCKET

### OIL AND GAS CONSERVATION COMMISSION

Title 12. Natural Resources  
Chapter 7. Oil and Gas Conservation Commission  
Article 1. Oil, Gas, Helium, and Geothermal Resources  
Sections: R12-7-104 and R12-7-183  
Action: Amend to comply with time-frame statute A.R.S. § 41-1073

Contact person: Steven L. Rauzi, Oil & Gas Program Administrator  
Address: 416 W. Congress, #100, Tucson, Arizona 85701  
Telephone No.: (520) 770-3500

### SCHEDULE OF PUBLIC HEARINGS

Date: March 14, 1997  
Time: 10:00 a.m.  
Location: Room 400, State Capitol Building  
Address: 1700 West Washington, Phoenix, Arizona 85007

### CHRONOLOGY OF RULE-MAKING RECORD

Rulemaking proceedings initiated by Commission: January 10, 1997  
Notice of Rulemaking Docket Opening published in A.A.R.: February 7, 1997  
Notice of Proposed Rulemaking published in A.A.R.: February 7, 1997  
Closing date for written comments: March 10, 1997  
Public hearing, close of record, adoption of concise explanatory statement: March 14, 1997  
Submit Notice of Final Rulemaking to Governor's Regulatory Review Council: \_\_\_\_\_  
Scheduled hearing by Governor's Regulatory Review Council: \_\_\_\_\_  
Approval by Governor's Regulatory Review Council: \_\_\_\_\_  
Rules filed with Secretary of State: \_\_\_\_\_  
Rule becomes effective (or terminated): \_\_\_\_\_  
Rule publication: \_\_\_\_\_



## NOTICE OF FINAL RULEMAKING

### TITLE 12. NATURAL RESOURCES

#### CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

#### PREAMBLE

- | <u>1. Sections Affected</u>   | <u>Rulemaking Action</u> |
|---|--------------------------|
| Article 1.  |                          |
| R12-7-104. Application for Permit to Drill                          | Amend                    |
| R12-7-183. Certificate of Compliance and Authorization to Transport | Amend                    |
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):
- Authorizing statutes: A.R.S. §§27-516(A) and 27-656(A)  
Implementing statutes: A.R.S. §§27-513, 27-659, and 27-509
3. The effective date of the rules:
- When filed with the Secretary of State
4. A list of all previous notices appearing in the Register addressing the final rule:
- 3 A.A.R. 371, February 7, 1997  
3 A.A.R. 348-349, February 7, 1997
5. The name and address of agency personnel with whom persons may communicate regarding the rule:
- Name: Steven L. Rauzi, Oil & Gas Program Administrator  
Address: Arizona Geological Survey  
416 West Congress, Suite 100, Tucson, Arizona 85701-1315  
Phone: (520) 770-3500  
Fax: (520) 770-3505
6. An explanation of the rule, including the agency's reasons for initiating the rule:
- R12-7-104 specifies permitting requirements for oil, gas, and geothermal wells. R12-7-183 specifies requirements to transport oil, gas, or geothermal resources from a lease. These rules are amended to be consistent with the recently enacted time-frame statute, A.R.S. §41-1073.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

8. The summary of the economic, small business, and consumer impact:

The principal impact of these rules will be on companies drilling for oil, gas, and geothermal resources. Since the rules are mostly procedural in nature, they will not significantly impact the economy or have a significant or adverse impact on small businesses or consumers. In fact, the proposed rulemaking does not increase or decrease the costs of compliance. It simply specifies the overall time-frame for agency review and decisions.

The proposed rulemaking should benefit companies drilling for oil, gas, and geothermal resources because it states the time-frame in which drilling applications or certificates of compliance and authorization to transport will be approved or denied.

9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

There were no changes between the proposed rules and the final rules.

10. A summary of the principal comments and the agency response to them:

The Oil & Gas Conservation Commission received no written or oral comments on these rules.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

These rules were amended to comply with the recently enacted time frame statute, A.R.S. § 41-1073.

12. Incorporation by reference and their location in the rules:

None.

13. Was this rule previously adopted as an emergency rule?

No.

14. The full text of the rules follows:

TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

Section

- R12-7-104. Application for Permit to Drill  
R12-7-183. Certificate of Compliance and Authorization to transport

**R12-7-104. Application for Permit to Drill**

A. Before drilling or reentering any well or conducting any surface disturbance associated with such activity, the operator shall submit to the Commission an application for permit to drill or reenter and obtain approval. The complete application package shall contain:

1. An application for permit to drill on a form provided by the Commission, which shall include the operator's name, address and phone number, and a description of the proposed well and its location;
2. A well and well-site construction plan that meets the requirements of R12-7-108 through R12-7-118;
3. A plat, prepared and certified by a registered surveyor bearing the surveyor's certificate number, on which is shown the exact acreage or legal subdivision allotted to the well as required by R12-7-107, the well's exact location, and its ground level elevation;
4. An organization report as required by R12-7-194;
5. A performance bond, as required by R12-7-103; and
6. A fee of \$25.00 per well.

B. The Commission shall advise the applicant, within 30 days of receipt of the application required in subsection (A), whether the application is administratively complete. Within 30 days of receipt Upon approval of all items required in subsection (A), the Commission shall review the application and:

1. Issue a permit to drill;
2. Provide a written explanation to the applicant if the application is not approved;

or

3. Require modification to the construction plan before approval. The applicant shall have 30 days to adhere to the required modifications. issue a permit to drill. The Commission may require modification to the proposed construction plan before approval. A permit shall not be issued until these modifications are adhered to by the operator. The Commission shall notify the applicant in writing if the application is not approved.

C. Unless operations are commenced within 180 days after date of approval, the permit to drill shall become null and void unless an extension in writing is granted by the Commission.

D. In case of imminent danger to public safety or of contamination of the environment, the Commission may authorize the drilling of an emergency relief or offset well

to reduce the danger or hazard. Within 10 ten days of commencing an emergency relief or offset well, the operator shall file an application as required in subsection (A). No well drilled under this subsection shall be used for production unless it conforms to the provisions of R12-7-107.

**R12-7-183. Certificate of Compliance and Authorization to Transport**

A. Each producer or operator of any well shall execute under oath and file with the Commission an operator's certificate of compliance and authorization to transport oil, gas, or geothermal resources from the lease for each well.

B. The certificate, when properly executed and approved by the Commission, shall constitute authorization to the pipeline or other transporter to transport oil, gas, or geothermal resources from the developed unit named. The Commission may provide written permission for the transportation of production in order to prevent waste, pending execution and approval of the certificate.

C. The certificate shall remain in full force and effect until:

1. The operating ownership of the developed unit changes, or
2. The transporter changes, or
3. The certificate is cancelled by the Commission.

D. When a change occurs in operating ownership of any developed unit, or when a change occurs in the transporter from any developed unit, the operator shall file a new certificate with the Commission within 10 ten days of the change. With respect to a temporary change in transporter which involves less than the production of one month, the producer may, in lieu of filing a new certificate, notify the Commission and the transporter in writing of the estimated amount of oil, gas, or geothermal resources to be moved by the temporary transporter, and the name of the temporary transporter. The operator shall furnish a copy of the notice to the temporary transporter.

E. The temporary transporter shall not move any greater quantity of oil, gas, geothermal resources than the estimated amount shown in the notice.

F. The Commission shall advise the producer or operator, within 10 working days of receipt of the certificate required in subsection (A), whether the certificate is administratively complete. Within 10 working days of receipt of an administratively complete certificate, the Commission shall approve the certificate or provide a written explanation to the producer or operator if the certificate is not approved.

OIL AND GAS CONSERVATION COMMISSION

CONCISE EXPLANATORY STATEMENT FOR OVERALL TIME-FRAME RULE

**1. Indication of any text changes**

The notice of proposed rule adoption was filed with the secretary of state pursuant to A.R.S. § 41-1022 on January 17, 1997. There were no changes between the text of the proposed rules contained in the notice of proposed rule adoption filed with the secretary of state on January 17 and the text of the rules as finally adopted on March 14, 1997.

**2. Evaluation of arguments for and against rules**

R12-7-104 specifies requirements for permitting wells drilled for oil, gas, and geothermal resources. R12-7-183 specifies requirements to transport oil, gas, or geothermal resources from a lease. These rules provide for sound drilling, completion, and production practices.

R12-7-104 and R12-7-183 were amended to comply with the recently enacted time-frame statute, A.R.S. § 41-1073. The amended rules specify separate time frames for the regulatory agency to determine administrative completeness and perform substantive review of applications to drill and certificates of compliance. As a result, the amended rules should benefit companies because they now state the time-frame in which drilling applications or certificates of compliance and authorization to transport will be approved or denied.

The Commission received no written or oral comments about the proposed rules. The Commission received no arguments against the proposed rules.

OIL AND GAS CONSERVATION COMMISSION

**ECONOMIC, SMALL BUSINESS, AND CONSUMER IMPACT STATEMENT FOR  
ADOPTING AN OVERALL TIME-FRAME RULE**

**EXECUTIVE SUMMARY**

All of the companies presently engaged in the exploration for and production of oil, gas, and geothermal resources in Arizona are small businesses. However, R12-7-104 and R12-7-183 are procedural in nature, and, as a result, do not significantly or adversely impact the economy, small businesses, or consumers. The proposed rulemaking should benefit small businesses by stating the Commission's time frame for reviewing and approving or denying permits to drill and certificates of compliance and authorization to transport.

The proposed rulemaking does not increase or decrease the costs of compliance, it simply adds a specific time-frame for reviewing applications and issuing licenses. The amended rules will be consistent with all applicable state statutes. The resulting clarity should have a positive impact on all businesses.

**A.R.S. § 41-1055 REQUIREMENTS FOR THE EIS**

**1. An identification of the proposed rulemaking**

Pursuant to A.R.S. § 41-1073, agencies that issue licenses shall adopt an overall time frame during which the agency will either grant or deny the license it issues. As a result, R12-7-104 and R12-7-183 are being amended to specify separate time frames for the regulatory agency to determine the administrative completeness and perform a substantive review of applications for a permit to drill and certificates of compliance and authorization to transport.

**2. Persons directly affected by the proposed rulemaking**

Applicants for a permit to drill or a certificate of compliance and authorization to transport are directly affected by the proposed rulemaking.

**3. Estimate of Costs and Benefits of Enforcement and Implementation  
(summarized in chart, attachment A)**

There will be no effect on revenues or payroll expenditures of employers who are subject to the proposed rulemaking.

**4. Probable impact on private and public employment**

The proposed rulemaking specifies agency time frames and will have no impact on private employment. Existing agency staff is sufficient to work within the proposed time frames.

**5. Probable impact on small businesses**

All recent applications to drill for oil and gas in Arizona have been from small businesses. This situation is not expected to change in the foreseeable future. The proposed rulemaking simply specifies an overall time-frame for agency review and decisions. It does not increase or decrease the costs of compliance. As a result, the proposed rulemaking will have no significant or adverse impact on small businesses.

No private persons or consumers are directly affected by the proposed rulemaking.

**6. Probable effect on state revenues**

None.

**7. Description of less intrusive or costly methods; alternatives**

The proposed rulemaking does not increase or decrease the costs of compliance. The proposed rulemaking is the least intrusive and least costly way for the Oil and Gas Conservation Commission to comply with the recently enacted time-frame statute, A.R.S. § 41-1073.

ATTACHMENT A

SUMMARY OF COSTS AND BENEFITS

(Amend R12-7-104 and R12-7-183 to comply with recently enacted A.R.S. § 41-1073)

Description of Group Affected	Description of Effect	Increased Costs/ Decreased Revenues	Decreased Costs/ Increased Revenues
Impact costs: Minimal < \$1,000; Moderate \$1,000 - \$5,000; Substantial > \$5,000			
<b>A. Agency / Political Subdivision</b>			
Arizona Geological Survey Oil and Gas Program	Staff (1 FTE) time required to draft amended rules.	Minimal	None
Oil and Gas Conservation Commission	Additional open meetings may be required to adopt amended rules.	Minimal	None
<b>B. Other State Agencies / Political Subdivisions</b>			
GRRC	Informal and formal review of amended rules.	Minimal	None
Secretary of State	Printing and administrative costs.	Minimal	None
<b>C. Federal Agencies</b>			
None.			
<b>D. Privately / Publicly Owned Businesses</b>			
Applicants for a Permit to Drill and operators of producing wells	Each currently completes and submits the required application and report.	None	None
<b>E. Consumers</b>			
None.			
<b>F. Private Individuals</b>			
None.			

AUTHORIZING STATUTES

A.A.C. R12-7-104 and R12-7-183

A.R.S. § 27-516. Rules and regulations

A. The commission shall make rules and amend them as deemed necessary for the proper administration and enforcement of this article, including the following rules, regulations and orders:

1. Requiring the drilling, casing and plugging of wells in a manner to prevent:

(a) Escape of oil and gas from one stratum to another.

(b) Intrusion of water into an oil or gas stratum from a separate stratum.

(c) Pollution of fresh water supplies by oil, gas or salt water.

(d) Waste.

2. Requiring reports showing the location of oil and gas wells and requiring filing of logs and drilling record within thirty days from the completion of a well drilled for oil or gas.

3. Requiring a reasonable bond with good and sufficient surety conditioned on the performance of the duties prescribed in paragraphs 1 and 2 of this subsection including the obligation to plug each dry or abandoned well.

4. Preventing drowning by water of any stratum or part capable of producing oil or gas in paying quantities and preventing the premature and irregular encroachment of water which reduces or tends to reduce the total ultimate recovery of oil or gas from any pool.

5. Requiring the operation of wells with efficient gas-oil ratio and fixing the limits of such ratios.

6. Preventing blow-outs, caving and seepage.

7. Preventing creation of unnecessary fire hazards.

8. Requiring identification of ownership of oil and gas wells, producing leases, refineries, tanks, plants, structures and storage and transportation equipment and facilities.

9. Regulating shooting, perforating and chemical treatment of wells.

10. Regulating gas cycling operations.

11. Regulating secondary recovery methods, including introduction of gas, air, water or other substance into producing formations.

12. Regulating spacing of wells and establishing drilling units.

13. Limiting, allocating and apportioning production of oil and gas from a pool or field for prevention of waste, and allocating production between tracts of land under separate ownership in a pool on a fair and equitable basis so that each tract will be permitted to produce not more than its just and equitable share from such pool.

14. Preventing, so far as practicable, reasonably avoidable drainage from each developed unit, not equalized by counterdrainage.

15. Requiring a producer of oil or gas to submit for each oil or gas well operated, on a form prescribed by the commission, a monthly report of actual production from each oil or gas well. Such report shall be submitted on or before the twenty-fifth day of the next succeeding month.

16. Requiring persons making settlement with the owner of oil or gas interests to render statements to the owner showing the quantity and gravity purchased and the price per barrel of oil or the price per one thousand cubic feet of gas.

17. Requiring, either generally or in a particular area, a certificate of clearance for transportation or delivery of oil, gas or any product.

18. Requiring the applicant for a drilling permit, if the surface of the land is owned by another not in a contractual relationship with the applicant, to post bond in a reasonable sum with good and sufficient surety conditioned on payment of just compensation to the landowner for actual damages to the surface of or improvements on the land caused by the drilling permittee's operations.

19. Requiring all forms and reports requested by the commission to be submitted to the commission on or before the twentieth day of the next succeeding month for monthly reports or within twenty days following the completion of the action requiring the report, except as otherwise provided by the commission.

20. Requiring the permitting of all wells and the approval of all equipment and methods:

(a) To create or use existing storage space for the underground storage of hydrocarbon substances, whether liquid or gaseous.

(b) Used for the injection of any substance into geological strata for the purpose of pressure maintenance or for the purpose of increasing ultimate recovery.

(c) Used for the purpose of secondary

and tertiary recovery.

(d) Used for the disposal of any substance.

Amended by Laws 1978, Ch. 113, § 2.

**A.R.S. § 27-656. Rules and regulations; hearing**

A. The commission shall adopt rules necessary for the proper administration and enforcement of this article.

Added by Laws 1972, Ch. 152, § 2, eff. May 22, 1972. Amended by Laws 1989, Ch. 142, § 3.

'Section 41-1001 et seq.

**IMPLEMENTING STATUTES**

A.A.C. R12-7-104

**A.R.S. § 27-513. Permit to drill well**

A person desiring to drill a well in search of oil or gas shall notify the commissioner on a form prescribed by the commissioner, and shall pay a fee of twenty-five dollars for each well. Upon receipt of notification and the fee, the commissioner shall promptly issue the person a permit to drill, unless drilling the well is contrary to law or to a rule, regulation or order of the commissioner. Drilling the well is prohibited until a permit to drill is obtained in accordance with the provisions of this section. 1955

**A.R.S. § 27-659. Application to drill**

The owner or operator of any property, before commencing the drilling of a well or entering or deepening an abandoned well, shall file with the commission an application to drill, on a form prescribed by the commission, containing such information as may be required by the commission. Such application shall be accompanied by a fee of twenty-five dollars per well. All monies so received by the commission shall be deposited in the state general fund.

Amended by Laws 1996, Ch. 220, § 13.

**IMPLEMENTING STATUTES**

A.A.C. R12-7-183

**A.R.S. § 27-509. Certificate of compliance**

A. An owner or operator of an oil or gas well shall, before connecting with an oil or gas pipe line, secure from the commissioner a certificate showing compliance with the conservation laws of the state and the conservation rules, regulations and orders of the commissioner. No operator of a pipe line shall connect with a well until the owner or operator furnishes a certificate of compliance.

B. The commissioner may cancel a certificate of compliance issued under this section when it appears, after due notice and hearing, that the owner or operator of a well has violated or is violating an oil or gas conservation law of the state, or a rule, regulation or order of the commissioner promulgated thereunder. Upon notice from the commissioner to the operator of a pipe line connected to any such oil or gas well that the certificate of compliance has been canceled, the operator of the pipe line shall disconnect from the well, and it shall be unlawful for the operator of the pipe line to transport oil or gas therefrom until a new certificate of compliance has been issued by the commissioner. The owner or operator of a well shall not produce oil or gas therefrom unless a certificate of compliance is in effect covering the well.

C. This section shall not be construed to prevent a temporary connection of not more than ten days' duration with a well in order to take care of production and prevent waste until opportunity has been given the owner or operator of the well to secure a certificate of compliance. If the certificate of compliance is not secured within the ten-day period, the well shall be shut in until such time as a certificate of compliance is secured.

As amended Laws 1971, Ch. 123, § 2.



*S. Ravri*

STATE OF ARIZONA  
EXECUTIVE OFFICE

FIFE SYMINGTON  
Governor

TO: All State Entities  
DATE: December 19, 1996  
SUBJECT: Thompson v. State of Arizona: Fife Symington,  
Maricopa County Superior Court No. CV94-10335

In 1994, the above-referenced lawsuit was filed alleging that the State of Arizona has failed to comply with various requirements of the Americans With Disabilities Act. I was also named as a defendant in my capacity as Governor on the basis of my duty to "take care that the laws be faithfully executed."

One of the issues raised in this case has been the reasonable accommodation notice that State agencies use on public meeting notices. These notices frequently require persons needing accommodations, such as sign language interpreters, to make their requests for accommodation at least 72 hours before the meeting.

In an effort to resolve this matter in the best interests of all parties, I have agreed, upon the advice of the Attorney General, to advise each State entity of the following information.

From this date forward, State entities shall not require that requests for reasonable accommodations at public meetings be made at least seventy-two (72) hours before the meeting. Instead, public meeting notices must contain the following language:

"Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting \_\_\_\_\_ (name, voice telephone number, TDD telephone number if appropriate). Requests should be made as early as possible to allow time to arrange the accommodation."

Should you have any questions about the foregoing, please contact Assistant Attorney General Loretta Jones at 542-7687.

Sincerely,

Fife Symington  
GOVERNOR

AOGCC MTG MARCH 14, 1997

NAME

REPRESENTING

~~Paul J. Buff~~ Paul J. Buff

BLM

~~Marc Steadman~~ Marc Steadman

AG