

OIL & GAS CONSERVATION COMMISSION  
—MINUTES OF MEETING/JANUARY 19, 2001—  
STEVEN L RAUZI, OIL & GAS ADMINISTRATOR



Jane Dee Hull  
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 January 19, 2001, at 10:00 a.m. in Room 321 of the State Land Department Building located at 1616 West Adams Street, 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 Minutes of Meeting of September 15, 2000
3. Statement of the Director and State Geologist
4. Report of Oil & Gas Administrator
5. Update on Ridgeway's CO<sub>2</sub> Project
6. Status of Active Wells and Projects
7. Lockhart #1 Babbitt Sample Study
8. Call to the public
9. Announcements
10. 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 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 10th day of January 2001

OIL AND GAS CONSERVATION COMMISSION

Steven L. Rauzi  
Oil and Gas Administrator

*Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting Steve Rauzi at (520) 770-3500. Requests should be made as early as possible to allow time to arrange the accommodation. This document is available in alternative formats by contacting Steve Rauzi at (520) 770-3500.*



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OIL AND GAS CONSERVATION COMMISSION

*Steven L. Rauzi*

Steven L. Rauzi  
Oil and Gas Administrator

**PLEASE ADVISE ME AS SOON AS POSSIBLE IF YOU WILL NOT BE ATTENDING THIS MEETING**

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**OIL AND GAS CONSERVATION COMMISSION**

416 West Congress #100  
Tucson, Arizona 85701

Minutes of Meeting  
September 15, 2000

Present:

Dr. J. Dale Nations, Chairman  
Dr. Donald W. Clay, Member  
Mr. Robert L. Jones, Member  
Mr. Zed Veale, Member  
Mr. Michael E. Anable, State Land Commissioner  
Dr. Larry D. Fellows, Director and State Geologist  
Mr. Steven L. Rauzi, Oil and Gas Administrator

The regular Commission Meeting of September 15, 2000, was called to order by Dr. J. Dale Nations, Chairman, at 10:00 a.m. in Room 321, State Land Department Building, Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF MAY 19, 2000

Dr. Clay moved, seconded by Mr. Jones

THAT THE MINUTES OF THE MEETING OF MAY 19, 2000, BE  
ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows reported that a two-year budget was prepared in conjunction with a strategic plan and was submitted September 1, 2000, for fiscal years 2002 and 2003. The budget included a request for funds to microfilm the oil and gas records in 2002 and add an inspector in 2003. Drilling activity is expected to increase because of the Ridgeway project and the higher price of oil. Dr. Fellows noted that Mr. Rauzi was working on a report about oil and gas potential in Arizona.

REPORT OF THE OIL AND GAS 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 testing of the well near Meteor Crater was delayed and that Premco Western was drilling below a depth of 2300 feet at its well in northwestern Arizona. He reported that he had received inquiries about drilling a stratigraphic test into the Luke salt deposit relative to storing natural gas and an oil test of the Precambrian Chuar in northern Arizona but that no applications have been submitted. Mr. Rauzi discussed some of the evidence pointing to the oil and gas potential in Arizona.

ORAL PROCEEDING TO ADOPT AMENDED RULES

Mr. Rauzi reported that the notice of proposed rulemaking and the text of the proposed rules were published in the August 4, 2000, Arizona Administrative Register. He reported that the primary reason for revising the rules was to conform with recent changes in statute brought about by H.B. 2492. He noted that the rule changes were in accord with discussions with Mr. Osborn and Mr. White, of Ridgeway Arizona Oil Corporation, in Tucson in early May and with discussions in the Commission meeting of May 19, 2000.

Mr. Osborn and Mr. White voiced support of the rules as presented.

Mr. Jones moved, seconded by Mr. Veale

THAT THE PROPOSED RULES BE ADOPTED AS PRESENTED AND  
PUBLISHED IN THE AUGUST 4, 2000, ARIZONA ADMINISTRATIVE  
REGISTER

Motion carried unanimously.

UPDATE ON RIDGEWAY'S CO<sub>2</sub> PROJECT

Mr. Rauzi reported that Crescendo Energy of Midland, Texas, had made several inquiries about helium in Arizona, apparently in conjunction with plans to produce the 2 shut-in helium wells at the Dineh-bi-Keyah Field. He reported that Crescendo had recently requested some application-to-drill forms but he did not know if that was associated with the Ridgeway project.

Mr. White reported that the price and demand for helium has gone up which has resulted in interest in Ridgeway's helium from 4 major industrial gas companies. As a result, Ridgeway has perforated the Fort Apache in 2 wells to test for helium. Mr. White reported that some acid jobs were pending and that within the next month or so they would see what the helium contents will be on these wells. He explained that production of helium depended on a market for CO<sub>2</sub>. Ridgeway had to produce CO<sub>2</sub> in order to get the helium out and that the industrial gas companies understood that.

Mr. White reported that the pipeline has been ordered for the CO<sub>2</sub> liquids plant and that FLO-CO<sub>2</sub> was working on the permit for right of improvement for the State Land Department. He indicated that the 10-22 State and 10-16 State wells in Arizona and the State 1-16 well in New Mexico would supply the liquids plant. Mr. White reported that Ridgeway planned to do a unit agreement rather than just produce from the individual leases.

CALL TO THE PUBLIC

Mr. Rice reported that the Land Department had received oil and gas applications to lease

59,000 acres northeast of Flagstaff from a company in Texas. He thought there was a good chance this would lead to some drilling activity.

ANNOUNCEMENTS

Chairman Nations announced that election of officers would be on the agenda for the next meeting.

The next meeting was scheduled for January 19, 2001, in Room 321, State Land Department Building, Phoenix, Arizona.


ADJOURNMENT

Mr. Veale moved, seconded by Dr. Clay:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:48 p.m.

APPROVED

  
Dr. J. Dale Nations  
Chairman

GUESTS IN ATTENDANCE

Marc Osborn	R & R Partners
Michael J. Rice	State Land Department
John Somers	High Plains Petroleum
Thomas White	Ridgeway Arizona Oil Corporation



Jane Dee Hull  
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

January 10, 2001

To: Oil and Gas Conservation Commissioners

From: <sup>SLR</sup> Steven L. Rauzi, Oil and Gas Administrator

Re: Activity Report for the January 19, 2001, Meeting

One new Permit to Drill was issued since your last meeting in September 2000. The permit was issued to SunCor Development Company for a 5200 ft stratigraphic test of the Luke salt deposit near Phoenix. SunCor plans to start drilling by February.

Mr. Gus Berry perforated the Devonian in his well near Meteor Crater in October 2000. He is waiting on a rig to test intervals that had oil stain, fluorescence, and trace cut. The shows are coincident with good drilling breaks. Two of the shows are also coincident with good crossover (gas effect) on the neutron-density curves.

Premco Western's bailer is stuck at a depth of 2300 ft at its well in northwestern Arizona. Premco spudded its well in April 1998 with an old cable tool rig but has since converted to rotary drilling.

The Precambrian test in northern Arizona has been delayed. One of the companies initially involved in the deal studied the samples from the Lockhart #1 Babbitt well, which is the basis for this play. The samples from the Babbitt well suggest that an under-pressured reservoir is present in this area.

The revised rules R12-7-101, R12-7-121, and R12-7-125, that you adopted in your meeting of September 15, 2000, were approved by the Governor's Regulatory Review Council on December 5, 2000. The rules became effective December 7, 2000, when they were submitted to the Secretary of State.

I have finished the report entitled "Arizona has oil and gas potential!" All that remains is final formatting for publication.



# Arizona



## *Administrative Register*

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Mimi Griffiths  
Director  
Public Services Department

**BETSEY BAYLESS**  
Secretary of State

Lupe Baysinger  
Editor  
Arizona Administrative Register



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- b. Three semester hours in management concepts; and
  - e. Three semester hours of upper division course work in any of the following: counseling, health promotion, nutrition, legal-ethical or interpersonal communication, and group process.
  - a. A bachelor of science degree in nursing, or
  - b. Completion of the following educational requirements:
    - i. Three semester hours in community health theory;
    - ii. Three semester hours in management theory; and
    - iii. Either 3 semester hours of upper division or graduate credit in nursing or health-related subjects from a regionally-accredited institution, as defined in R4-19-101(23), or 45 hours of continuing education related to nursing practice.
3. Prior to Before all subsequent applications for renewal of certification, a professional nurse shall provide proof of completion of 1 of the following educational requirements:
- a. Six semester hours of upper division or graduate credit in nursing or health related subjects from a regionally accredited institution, as defined in R4-19-101(23); or
  - b. Ninety contact hours of continuing education related to nursing practice.
4. Notwithstanding subsections ~~(C)~~ (B)(3) and ~~(D)~~ (C)(1), a professional nurse who is or has been certified as a school nurse by the Department of Education, is applying for initial certification, 1st renewal of certification, or subsequent renewal of certification by the Board as a school nurse, and:
- a. Professional nurses applying for initial certification or 1st renewal of certification through the Board, who have completed the educational requirements in ~~(D)~~(1), shall provide proof of completion of the educational requirements in ~~(D)~~(1) and ~~(D)~~(2); and
  - b. Professional nurses are applying for initial certification, for 1st renewal, or subsequent renewals of certification through the Board, who have completed the educational requirements in ~~(D)~~(2), shall provide proof of completion of the educational requirements of ~~(D)~~(3):
    - a. has completed the educational requirements in (C)(1), shall provide proof of completion of the educational requirements in (C)(2); or
    - b. has completed the educational requirements in (C)(2), shall provide proof of completion of the educational requirements of (C)(3).
- D. The Board shall grant school nurse certification to any applicant who meets the criteria established in statute and this Section. An applicant who is denied school nurse certification may request a hearing by filing a written request with the Board within 30 days of service of the Board's order denying the application. Hearings shall be conducted in accordance with A.R.S. Title 41, Chapter 6, Article 10.

NOTICE OF FINAL RULEMAKING

TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

PREAMBLE

- | <b>1. Sections Affected</b> | <b>Rulemaking Action</b> |
|-----------------------------|--------------------------|
| R12-7-101                   | Amend                    |
| R12-7-121                   | Amend                    |
| R12-7-125                   | 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  
Implementing statutes: A.R.S. §§ 27-516(A)(1) and (2), 27-652(A), and 27-661
3. **The effective date of the rules:**  
December 7, 2000
4. **A list of all previous notices concerning the rules:**  
Notice of Rulemaking Docket Opening: 6 A.A.R. 2128, June 9, 2000  
Notice of Proposed Rulemaking: 6 A.A.R. 2833, August 4, 2000

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**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Steven L. Rauzi, Oil & Gas Administrator  
Address: Arizona Geological Survey  
416 West Congress, Suite 100  
Tucson, Arizona 85701-1315  
Telephone: (520) 770-3500  
Fax: (520) 770-3505

**6. An explanation of the rule, including the agency's reasons for initiating the rule:**

R12-7-101 lists definitions used in the rules. R12-7-121 specifies completion and reporting requirements for wells. R12-7-125 specifies requirements for temporarily abandoned and shut-in wells. These rules were amended to conform with a recent change in statute that extended the confidential period for well records from 6 months to 1 year, add a new shut-in status to distinguish between inactive wells that are capable of production (shut-in) from those that are not (temporarily abandoned), and improve clarity and understandability.

**7. A reference to any study that the agency relied on in its evaluation of or justification for the rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**

None

**8. 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

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

These rules directly impact companies drilling for oil, gas, and geothermal resources. The rules are mostly procedural in nature and will not significantly impact the economy or have a significant impact upon small businesses or consumers. The proposed rulemaking does not significantly increase or decrease the costs of compliance. The longer confidential period, new shut-in status, and resulting clarity and understandability of the rules should have a positive impact on small businesses. No private persons or consumers are directly affected by the proposed rulemaking.

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

Changes were made at the suggestion of the Governor's Regulatory Review Council staff to improve the clarity, conciseness, and understandability of the rules.

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

No written comments were received. Two individuals from the regulated community voiced support of the proposed rules at the September 15, 2000, oral proceeding to adopt the rules.

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

Not applicable

**13. Incorporation by reference and their location in the rules:**

None

**14. Was this rule previously adopted as an emergency rule?**

No

**15. 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**

R12-7-101. Definitions

R12-7-121. Well Completion and Filing Requirements

R12-7-125. Temporary Abandonment Temporarily Abandoned and Shut-in Wells

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

R12-7-101. Definitions

In this chapter Chapter, unless the context otherwise requires:

‡: "API" means American Petroleum Institute.

**Arizona Administrative Register**  
**Notices of Final Rulemaking**

- 2: "Barrel" means 42 (US) gallons measured at 60° F. and atmospheric pressure at sea level.
- 3: "BTU" means British thermal unit and represents the quantity of heat required to raise the temperature of 1 pound of water 1° F. at or near 39.2° F.
- 4: "Commission" means the State Oil and Gas Conservation Commission or any person lawfully empowered to act on its behalf.
- 5: "Condensate" means the liquid hydrocarbons recovered at the earth's surface that as a result from of condensation due to reduced pressure or temperature of petroleum hydrocarbons existing initially that exist in a gaseous phase in the subsurface reservoir rocks.
- 6: "Cubic foot of gas" means the volume of gas contained in 1 cubic foot of space at a standard pressure base of 14.73 pounds per square inch absolute and a standard temperature base of 60° F.
- 7: "Gas well" means any a well which that produces with a gas-oil ratio in excess of 50,000 cubic feet of gas per barrel of oil.
- 8: "Injection well" means any a well used for the injection of to inject air, gas, water, or any other substance into any an underground stratum.
- 9: "Mcf" means 1000 cubic feet of gas reported at a pressure base of 14.73 pounds per square inch absolute and a standard temperature base of 60° F.
- 10: "Oil well" means any a well which that produces with a gas-oil ratio less than 50,000 cubic feet of gas per barrel of oil.
- 11: "Operator" means any person authorized by an owner or owners, who controls to control the day-to-day activities of a well or production or refining facility.  
"Shut-in well" means a well that is capable of production in paying quantities, is completed as a producing well, and is not presently being operated.
- 12: "Stratigraphic test or core hole test" means any drilling a hole drilled for the sole purpose of obtaining geological information.  
"Temporarily abandoned well" means a well that is not capable of production in paying quantities and is not presently being operated.

**R12-7-121. Well Completion and Filing Requirements**

~~A-~~ For the purpose of this rule only, a well shall be determined to be completed when it is capable of production, has been temporarily abandoned as provided for in R12-7-125, or has been plugged and abandoned as provided for in R12-7-126 and R12-7-127.

~~A,B-~~ ~~An~~ The operator shall file a completion report with the Commission within 30 days after the completion of a well is completed. The completion report shall contain a description of the well and lease, the casing record, the tubing record, the liner record, the perforation record, the stimulation, and cement squeeze records, and data on the initial production. The operator shall submit other well data to the Commission within 30 days of the date the work is done, including any:

1. Lithologic, mud, or wireline log;
2. Directional survey;
3. Core description and analysis;
4. Stratigraphic or faunal determination;
5. Formation or drill-stem test;
6. Formation fluid analysis; or
7. Other similar information or survey.

~~Other well data, including all logs, tests, and surveys shall be filed with the completion report or within 30 days after the completion of the well.~~

~~B,C-~~ ~~An~~ The operator shall furnish samples of all cores and drilled cuttings, at a maximum interval of 10 feet, to the Commission within 30 days of after drilling is completed. The operator may furnish samples of continuous core in chips at 1-foot intervals, removing the drilling rig from the hole. All samples for the Commission shall be handled as follows: The operator shall:

1. ~~All~~ Wash and dry all samples; shall be washed and dried.
2. ~~Approximately~~ For each sample, place approximately 3 tablespoons of each the sample shall be placed in an envelope showing the identification of with the following identifying information: the well from which the sample originated originates, the location of the well, the Commission's permit number for the well, and the depth at which the sample is taken; and at which the sample was taken.
3. ~~Samples shall be packaged in~~ Package sample envelopes in protective boxes and ship for protection and shall be shipped prepaid to:  
Oil and Gas Program Administrator  
Arizona Geological Survey  
416 West Congress, Suite 100  
Tucson, AZ 85701
4. ~~Core samples may be furnished in chips and packed and shipped as specified in paragraphs (2) and (3).~~

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~~C. D.~~ Upon written request by the operator, the Commission shall keep any all well information required by in this Section confidential for a period 1 year after the drilling is completed unless the operator gives written permission to release the information at an earlier date. The Commission shall provide notice to the operator 60 days before confidential records become subject to public inspection and, at the operator's request, extend the confidential period for 6 months to 2 years if the Commission finds that the operator has demonstrated that release would harm the operator's competitive position with respect to unleased land in the vicinity of the well, not to exceed 6 months from the completion date of a stratigraphic or exploratory hole and for a period not to exceed 2 years from the completion date of a geothermal resources well.

**R12-7-125. Temporary Abandonment Temporarily Abandoned and Shut-in Wells**

A. When If drilling, injection, or production operations at a well are suspended, or have been suspended for 60 days, an operator the well shall plug the well under be plugged and abandoned as required in R12-7-126 and R12-7-127 unless the Commission permits the well to be temporarily abandoned or shut-in. The Commission shall not classify a well as shut-in until the operator submits a completion report under R12-7-121, unless the operator obtains written permission for temporary abandonment from the Commission. On drilling wells, the drilling rig shall not be removed from the hole until written permission for temporary abandonment is obtained from the Commission. Permission granted shall be for a period not to exceed 1 year. One-year extensions may be granted.

B. When requesting temporary abandonment, the operator shall file with the Commission a description of the mechanical condition of the well and a current corrosion, caliper, or cement bond log. The Commission shall not approve temporary abandonment or an extension unless the operator can show that the mechanical condition of the well will prevent damage to the producing zone, prevent contamination of fresh waters or other natural resources, and prevent leakage of any substance at the surface. The Commission may require a mechanical integrity test of the casing before approving or extending temporary abandonment.

An operator may temporarily abandon or shut-in a well for up to 5 years if the operator demonstrates to a quorum of the Commission a future beneficial use of the well and submits a Sundry Notice to the Commission containing the following information:

1. Evidence of casing integrity as required in R12-7-112 including a complete description of the current casing, cementing, and perforation record of the well;
2. The stimulation and cement squeeze record and complete data on the results of any well tests performed to date; and
3. All other well data required in R12-7-121(A).

C. Upon expiration of the period of temporary abandonment or an extension, the well shall be plugged and abandoned, unless the operator can demonstrate to the Commission why the well should not be plugged and abandoned, and a further extension issued.

Before an approved time frame for a temporarily abandoned or shut-in well expires, the operator shall return the well to beneficial use under a plan approved by the Commission, permanently plug and abandon the well, or apply for an extension to temporarily abandon or shut-in the well. If the integrity of the well casing is in question, the Commission may require the operator to:

1. Prove casing integrity in accordance with R12-7-112;
2. Plug any well that fails to meet the casing integrity required by R12-7-112; and
3. Re-test the well in accordance with R12-7-150 to continue shut-in status.

D. Before reentering any temporarily abandoned well, the operator shall give the Commission at least 10 days' written notice detailing the proposed activity.

An operator shall ensure that no work begins on a temporarily abandoned or shut-in well until approved by the Commission. The operator shall give at least 24 hours' notice to the Commission before any work begins. Within 15 days of completing the proposed work, the operator shall file a written report with the Commission fully describing the work performed including a copy of all test rates, pressures, and fluid analyses.

**NOTICE OF FINAL RULEMAKING**

**TITLE 17. TRANSPORTATION**

**CHAPTER 4. DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION**

**PREAMBLE**

**I. Sections Affected**

R17-4-237  
R17-4-238  
R17-4-239  
R17-4-241  
R17-4-243

**Rulemaking Action**

Repeal  
Repeal  
Repeal  
Amend  
Repeal


STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION

SAMPLE POLICY

The Oil and Gas Conservation Commission hereby adopts the following as its policy regarding samples and cores. In the declaration policy "samples" is meant to include rotary and cable tool cuttings, chips, cores, core slabs, and core chips.

1. Samples received by the Commission under A.A.C. R12-7-121 shall be preserved and maintained in good order.
2. A record or file shall be kept indicating the location of samples from each well.
3. Samples are to be maintained for use as a public library.
4. Samples may be examined on the premises by any person requesting to do so. Reasonable notice for retrieval of the samples may be required.
5. Samples may be loaned for use off-premises to any responsible person at the discretion of the Commission.
6. Users of samples shall take reasonable and customary measures to maintain the integrity and volume of each individual sample and shall not mix samples together.
  - a. Users may use ordinary tests for mineralogical determination. Acid shall not be placed in the bulk sample, rather, one or two individual grains may be removed to a separate container for acid tests.
  - b. Solvents shall not be placed in the bulk sample, rather, one or two individual grains may be removed to a separate container for solvent tests.
  - c. In no case shall bulk solvent extraction, pyrolysis or other destructive tests be run on any samples without prior permission of the Commission.
7. Users shall return all individual samples to their original containers. If the container is damaged beyond use, a new container shall be provided.
8. Users shall replace all samples in order from top of the hole down in the original sample box.
9. Users shall provide the Commission, within 30 days of their completion, copies of all logs, paleontological and other reports, maturation studies, source rock analysis, and any other study or analysis made possible by use of samples from the Commission's library. The Commission shall grant a six-month confidentiality period if so requested by the owner of the report and may grant one six-month extension of the period of confidentiality if so requested.

ADOPTED AS REVISED BY THE OIL AND GAS CONSERVATION COMMISSION ON 11/21/86

Signed  Date 10/4/00  
Lockhart with P/N 7-4  
core chips 3494,  
3477,  
3488,  
3541,  
3564

H.L. Brown Jr.  
Midland Texas



June Doe Blah  
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

October 25, 2000

Mr. H.L. Brown Jr.  
300 West Louisiana  
Midland TX 79702

Dear Mr. Brown:

This will acknowledge receipt of the SCAL, Inc. report of the Commission's samples from the Lockhart #1 Babbitt well in Coconino County, Arizona.

The report shall be kept confidential for 6 months. The Commission may grant a 6-month extension. I will let them know of your request for an extension at their next meeting on January 19, 2001.

Sincerely,



Steven L. Rauzi  
Oil & Gas Administrator

Enclosure

Report received 10/25/00 - SCR

Samples returned 10-13-00/SCR

AOGCC Mtg 1-19-01

<u>Name</u>	<u>Representing</u>
John Somers	High Plains Petroleum
Tom White	Ridgeway
Floyd Legg	Earth Petroleum
Arthur Hegg	
Jeff Barber	CRYSTAL GAS STORAGE
Sheri Foote	Pinnacle West
Curt Beecher	" "
MATT REID	PINNACLE WEST/APS
David Hayden	Crystal Gas Storage