

OIL & GAS CONSERVATION COMMISSION
~~MINUTES OF MEETING // OCTOBER 27, 2006~~
STEVEN L RAUZI, OIL & GAS ADMINISTRATOR

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 October 27, 2006, 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, pursuant to A.R.S. § 38-431.03(A)(3) or (4), the Oil and Gas Conservation Commission may vote to go into executive session, which will not be open to the public, for discussion or consultation with its attorney.

The agenda for the meeting is as follows:

1. Call to Order
2. Approval of Minutes of Meeting of July 28, 2006
3. Report of State Geologist and Director about administrative, budget, and staff support matters
4. Report of Oil & Gas Administrator about new permits, active wells and the new web page
5. Discussion and possible decision about well samples received pursuant to A.A.C. R12-7-121
6. Discussion and possible decision about five-year review of rules
7. Status of El Paso well AGS 1-21 and possible decision concerning temporary abandonment
8. Status of Holbrook Energy wells 35-1 Hortenstine (Permit 919) and 17-1 NZ (Permit 924) and possible decision concerning temporary abandonment
9. Status of Ridgeway Arizona Oil Corporation wells 22-1X State (Permit 888), 11-21 State (Permit 895), 10-22 State (Permit 896), 9-21 State (Permit 897), 12-15-30 State (Permit 900), and 11-18 State (Permit 916) and possible decision concerning temporary abandonment and possible report or presentation from a representative of Ridgeway
10. Call to the public
 - This is the time for the public to comment. Members of the Commission may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further discussion and decision at a later date.
11. Announcements
12. Adjournment

The Oil and Gas Conservation Commission may vote to go into Executive Session, pursuant to A.R.S. § 38-431.03(A)(3) or (4), 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 may 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 20th day of October 2006

OIL AND GAS CONSERVATION COMMISSION



Steven L. Rauzi
Oil and Gas Program 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.

OIL AND GAS CONSERVATION COMMISSION
416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
July 28, 2006

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Jones, Vice-Chairman
Mr. Joseph J. Lane, Member
Ms. Michele P. Negley, Member
Mr. Robert L. Wagner, Member
Dr. M. Lee Allison, State Geologist and Director
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

Dr. J. Dale Nations, Chairman, called the regular Commission Meeting of July 28 to order at 10:00 a.m. in Room 321, State Land Department Building in Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 28, 2006

Mr. Lane moved, seconded by Ms. Negley:

THAT THE MINUTES OF THE MEETING OF APRIL 28, 2006 BE ACCEPTED
AS PRESENTED

Motion carried unanimously.

REPORT OF THE STATE GEOLOGIST AND DIRECTOR

Dr. Allison discussed his proposed budget directly related to the Commission including in-state travel and meetings and the Interstate Oil and Gas Compact Commission (IOGCC). He noted that the salary and related expenses of the oil and gas program administrator and other staff support such as web-page development, payroll, secretarial and other matters were covered under the Survey budget.

Ms. Negley moved, seconded by Mr. Wagner:

TO APPROVE DR ALLISON'S PROPOSED BUDGET OF \$5100 FOR FISCAL
YEAR 2007 AND \$11,700 FOR FISCAL YEAR 2008, WHICH INCLUDED AN
ADDITIONAL \$5100 FOR THE ANNUAL IOGCC ASSESSMENT PLUS \$1500
FOR TRAVEL-RELATED EXPENSES TO IOCC MEETINGS

Motion carried unanimously.

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 El Paso Natural Gas was moving in equipment to drill its stratigraphic hole in the Picacho basin and that he planned to stop by the El Paso location on his return from Phoenix.

DISCUSSION AND POSSIBLE DECISION ABOUT WELL SAMPLES RECEIVED PURSUANT TO A.A.C. R12-7-121

Dr. Allison reviewed his memo to the Survey staff about adherence to the Commission's sample policy for samples received by the Survey under A.A.C R12-7-121. The

Commission requested that a draft guideline for destructive analyses and skeletonization of samples be prepared for its consideration at the next meeting.

^e
^
(10-27-06)

STATUS OF NEW COMMISSION WEB PAGE

Mr. Rauzi reviewed the new Commission webpage and acknowledged Ms. Erin Moore's involvement in the development of the web page. Dr. Allison noted that the IOGCC would be announcing the new web page in its next newsletter and indicated that the ultimate goal was to provide access to well logs and other digital well information through the web page. The Commissioners agreed that AZOGCC.AZ.GOV would be an appropriate domain name.

STATUS OF RIDGEWAY ARIZONA OIL CORPORATION WELLS 22-1X STATE (PERMIT 888), 11-21 STATE (PERMIT 895), 10-22 STATE (PERMIT 896), 9-21 STATE (PERMIT 897), 12-15-30 STATE (PERMIT 900), AND 11-18 STATE (PERMIT 916), APACHE COUNTY AND POSSIBLE DECISION CONCERNING REQUEST FOR TEMPORARY ABANDONMENT AND POSSIBLE REPORT OR PRESENTATION BY A REPRESENTATIVE OF RIDGEWAY

Mr. Rauzi reported that Ridgeway had submitted several applications for permit to drill. He indicated that the applications were being reviewed in anticipation of approval of a surface plan from the State Land Department. Mr. White had nothing new to report.

CALL TO THE PUBLIC

None

ANNOUNCEMENTS

Chairman Nations announced the availability of State ID cards for the Commissioners.

The Commission scheduled its next meeting at 10:00 a.m. on Oct 27, 2006, in room 321 at the State Land Department Building in Phoenix.

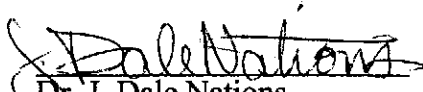
ADJOURNMENT

Ms. Negley moved, seconded by Mr. Lane:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:20 a.m.

APPROVED


Dr. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Jay Baughman

Michael Rice

Michelle Van Quathem

Thomas White

Office of Strategic Planning and Budgeting

Arizona State Land Department

Ryley Carlock

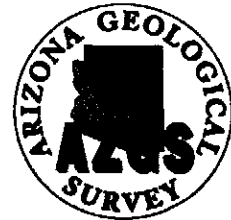
Ridgeway Arizona Oil Corporation



Janet Napolitano
Governor

State of Arizona
Arizona Geological Survey

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



M. Lee Allison
Director and State Geologist

October 20, 2006

To: Oil and Gas Conservation Commissioners

From: ^{SLR} Steven L. Rauzi, Oil and Gas Administrator

Re: Activity Report for the October 27, 2006, Meeting

No new permits to drill were issued but two wells were drilled since your last meeting on July 28, 2006.

EL Paso Natural Gas Company drilled its stratigraphic hole to a total depth of 8784 ft in the Picacho basin. El Paso submitted a request to temporarily abandon the hole for additional testing and evaluation. High Plains Petroleum drilled its hole near Concho to a total depth of 4032 ft. High Plains plans to start testing and evaluating the hole next week.

Holbrook Energy submitted a notice to plug and abandon its 35-1 Hortenstine. Temporary abandonment of the 35-1 Hortenstine expired October 2006. Temporary abandonment of the Holbrook Energy 17-1 NZ near Concho also expires in October 2006. Holbrook Energy has not submitted its intentions for this well.

The Commission extended temporary abandonment to the Ridgeway 22-1X and 10-22 wells through January 2007. The Commission conditionally extended temporary abandonment to the Ridgeway 11-21, 9-21, 12-15-30 and 11-18 wells through January 2007 depending on whether or not Ridgeway regained its expiring leases. The State Land Department has held a simultaneous filing for the leases but has not yet held a drawing to see who will actually obtain the leases.

I included some interesting statistics about the number of visits to your new web page. These numbers are broken down by month and day.

Statistics for: www.azogcc.az.gov
Last Update: 10 Oct 2006 - 23:57 [Update now](#)
Reported period:



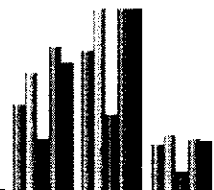
When: Monthly history Days of month Days of week Hours
Who: Countries Full list Hosts Full list Last visit Unresolved IP Address Robots/Spiders visitors Full list Last visit
Navigation: Visits duration File type Viewed Full list Entry Exit Operating Systems Versions Unknown Browsers Versions Unknown
Referers: Origin Referring search engines Referring sites Search Search Keyphrases Search Keywords
Others: Miscellaneous HTTP Status codes Pages not found

Summary

Reported period	Month Oct 2006				
First visit	01 Oct 2006 - 03:21				
Last visit	10 Oct 2006 - 23:55				
	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Viewed traffic *	109	131 (1.2 visits/visitor)	305 (2.32 pages/visit)	793 (6.05 hits/visit)	22.71 MB (177.53 KB/visit)
Not viewed traffic *			3920	5227	109.26 MB

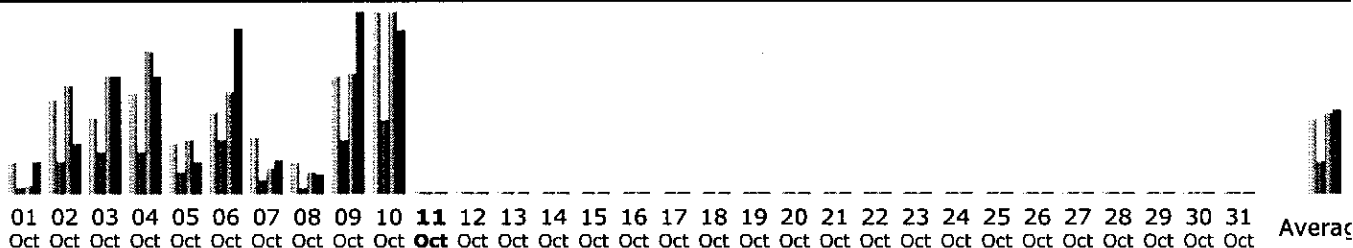
* Not viewed traffic includes traffic generated by robots, worms, or replies with special HTTP status codes.

Monthly history



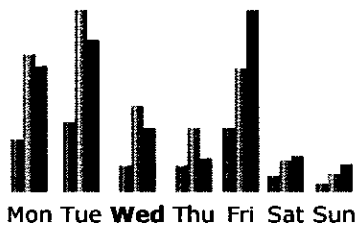
Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2006	0	0	0	0	0
Feb 2006	0	0	0	0	0
Mar 2006	0	0	0	0	0
Apr 2006	0	0	0	0	0
May 2006	0	0	0	0	0
Jun 2006	0	0	0	0	0
Jul 2006	0	0	0	0	0
Aug 2006	203	281	819	2266	59.45 MB
Sep 2006	334	433	1174	2849	84.28 MB
Oct 2006	109	131	305	793	22.71 MB
Nov 2006	0	0	0	0	0
Dec 2006	0	0	0	0	0
Total	646	845	2298	5908	166.45 MB

Days of month



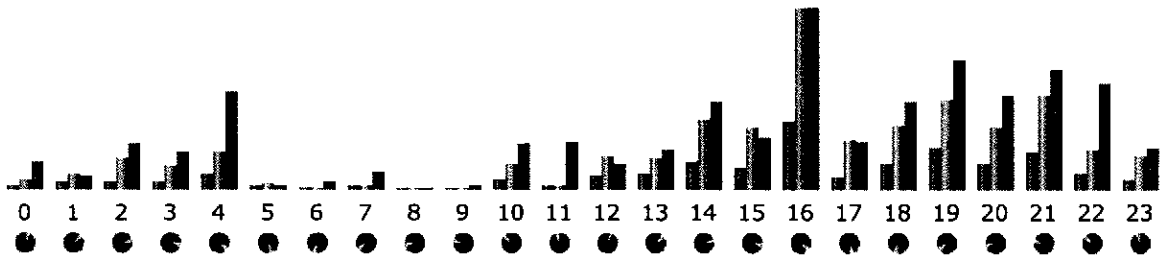
Day	Number of visits	Pages	Hits	Bandwidth
01 Oct 2006	5	5	7	814.33 KB
02 Oct 2006	15	28	97	1.23 MB
03 Oct 2006	12	37	107	2.92 MB
04 Oct 2006	16	37	128	2.93 MB
05 Oct 2006	8	19	48	794.17 KB
06 Oct 2006	13	48	92	4.16 MB
07 Oct 2006	9	11	23	825.15 KB
08 Oct 2006	5	5	19	493.11 KB
09 Oct 2006	19	49	108	4.52 MB
10 Oct 2006	29	66	164	4.11 MB
11 Oct 2006	0	0	0	0
12 Oct 2006	0	0	0	0
13 Oct 2006	0	0	0	0
14 Oct 2006	0	0	0	0
15 Oct 2006	0	0	0	0
16 Oct 2006	0	0	0	0
17 Oct 2006	0	0	0	0
18 Oct 2006	0	0	0	0
19 Oct 2006	0	0	0	0
20 Oct 2006	0	0	0	0
21 Oct 2006	0	0	0	0
22 Oct 2006	0	0	0	0
23 Oct 2006	0	0	0	0
24 Oct 2006	0	0	0	0
25 Oct 2006	0	0	0	0
26 Oct 2006	0	0	0	0
27 Oct 2006	0	0	0	0
28 Oct 2006	0	0	0	0
29 Oct 2006	0	0	0	0
30 Oct 2006	0	0	0	0
31 Oct 2006	0	0	0	0
Average	11.91	27.73	72.09	2.06 MB
Total	131	305	793	22.71 MB

Days of week



Day	Pages	Hits	Bandwidth
Mon	38.50	102.50	2.87 MB
Tue	51.50	135.50	3.51 MB
Wed	18.50	64	1.46 MB
Thu	19	48	794.17 KB
Fri	48	92	4.16 MB
Sat	11	23	825.15 KB
Sun	5	13	653.72 KB

Hours



Hours	Pages	Hits	Bandwidth	Hours	Pages	Hits	Bandwidth
00	3	7	453.86 KB	12	10	28	448.07 KB
01	5	13	214.63 KB	13	13	25	675.81 KB
02	6	25	776.43 KB	14	23	58	1.47 MB
03	6	19	638.59 KB	15	17	51	879.57 KB
04	13	30	1.64 MB	16	56	150	3.04 MB
05	2	4	38.75 KB	17	9	41	811.99 KB
06	1	1	128.31 KB	18	20	52	1.47 MB
07	3	3	293.28 KB	19	34	74	2.19 MB
08	1	1	0	20	20	50	1.57 MB
09	1	1	64.33 KB	21	31	77	2.01 MB
10	7	20	769.38 KB	22	13	33	1.79 MB
11	3	3	805.24 KB	23	8	27	711.91 KB

Visitors domains/countries (Top 10) - Full list

Domains/Countries	Pages	Hits	Bandwidth
? Unknown ip	305	793	22.71 MB

Hosts (Top 10) - Full list - Last visit - Unresolved IP Address

Hosts : 0 Known, 117 Unknown (unresolved ip) 109 Unique visitors	Pages	Hits	Bandwidth	Last visit
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64.90.56.34	23	61	275.34 KB	10 Oct 2006 - 22:37
216.201.157.145	20	34	1.73 MB	10 Oct 2006 - 18:17
67.86.105.254	14	26	489.59 KB	10 Oct 2006 - 15:35
38.116.145.116	13	20	1.55 MB	09 Oct 2006 - 16:16
205.169.91.23	13	26	1007.21 KB	03 Oct 2006 - 19:51
222.46.18.34	9	9	108.57 KB	06 Oct 2006 - 13:07
66.27.138.22	9	24	1.56 MB	06 Oct 2006 - 04:26
71.83.168.84	9	15	959.76 KB	09 Oct 2006 - 23:10
159.87.89.66	9	22	267.75 KB	06 Oct 2006 - 22:20
205.169.91.25	8	14	148.46 KB	05 Oct 2006 - 16:49
Others	178	542	14.69 MB	

Robots/Spiders visitors (Top 10) - Full list - Last visit

6 different robots*				
	Hits	Bandwidth	Last visit	
Nagios	2880	52.01 MB	10 Oct 2006 - 23:58	
Unknown robot (identified by 'crawl')	634	39.87 MB	10 Oct 2006 - 20:21	
Googlebot	24	0	09 Oct 2006 - 02:14	
MSNBOT	15	553.77 KB	10 Oct 2006 - 20:06	
Alexa (IA Archiver)	1	18.49 KB	07 Oct 2006 - 08:47	
Voyager	1	18.49 KB	08 Oct 2006 - 18:35	

* Robots shown here gave hits or traffic "not viewed" by visitors, so they are not included in other charts.

Visits duration

Number of visits: 131 - Average: 195 s		
	Number of visits	Percent
0s-30s	97	74 %
30s-2mn	10	7.6 %
2mn-5mn	8	6.1 %
5mn-15mn	7	5.3 %
15mn-30mn	2	1.5 %
30mn-1h	4	3 %
1h+	1	0.7 %
Unknown	2	1.5 %

File type

File type	Hits	Percent	Bandwidth	Percent
gif Image	264	33.2 %	1.87 MB	8.2 %
jpg Image	224	28.2 %	6.34 MB	27.9 %
htm HTML or XML static page	134	16.8 %	1.26 MB	5.5 %
pdf Document	91	11.4 %	12.17 MB	53.5 %
html HTML or XML static page	80	10 %	1.06 MB	4.6 %

Pages-URL (Top 10) - Full list - Entry - Exit

26 different pages-url	Viewed	Average size	Entry	Exit
/	80	13.63 KB	68	24
/Wanttodrill.pdf	32	187.61 KB	25	26

/OGpermits.htm	31	2.13 KB	5	16	
/ogcc_publist.htm	24	19.26 KB	11	11	
/ogcc_faq.htm	19	13.24 KB	13	9	
/ogcc_contact.htm	15	5.83 KB	3	9	
/ogcc_llnks.htm	12	6.39 KB	1	7	
/OperatorsList.pdf	11	18.53 KB			
/Permit+934.pdf	10	64.26 KB		6	
/ogcc_index.htm	9	18.43 KB	1	4	
Others	62	93.48 KB	4	17	

Operating Systems (Top 10) - Full list/Versions - Unknown

Operating Systems		Hits	Percent
Windows		731	92.1 %
Macintosh		52	6.5 %
? Unknown		9	1.1 %
Linux		1	0.1 %

Browsers (Top 10) - Full list/Versions - Unknown

Browsers		Grabber	Hits	Percent
MS Internet Explorer		No	694	87.5 %
Firefox		No	74	9.3 %
Safari		No	14	1.7 %
Mozilla		No	7	0.8 %
? Unknown		?	2	0.2 %
Opera		No	1	0.1 %
- Links		No	1	0.1 %

Connect to site from

Origin	Pages	Percent	Hits	Percent
Direct address / Bookmarks	44	30.7 %	64	39.2 %
Links from a NewsGroup				
Links from an Internet Search Engine - Full list	47	32.8 %	47	28.8 %
- Google 43 43				
- MSN 4 4				
Links from an external page (other web sites except search engines) - Full list	52	36.3 %	52	31.9 %
- http://www.azgs.state.az.us/OGCC.htm 22 22				
- http://www.azgs.state.az.us/ogcc.htm 14 14				
- http://www.azgs.az.gov/OGCC.htm 9 9				
- http://www.azgs.az.gov/ogcc.htm 7 7				
Unknown Origin				

Search Keyphrases (Top 10)

Full list		
43 different keyphrases	Search	Percent
holbrook energy ilc	3	6.3 %
holbrook basin location map	2	4.2 %

Search Keywords (Top 10)

Full list		
79 different keywords	Search	Percent
oil	21	11.5 %
arizona	15	8.2 %

arizona oil production	2	4.2 %	well	14	7.6 %
drilling prognosis	1	2.1 %	drilling	8	4.3 %
unocal picacho	1	2.1 %	gas	7	3.8 %
natural gas drilling in az	1	2.1 %	holbrook	7	3.8 %
drilling for water in north az	1	2.1 %	map	5	2.7 %
dineh-bi-keyah field map	1	2.1 %	in	5	2.7 %
map of eastern arizona	1	2.1 %	location	4	2.1 %
drilling permits arizona	1	2.1 %	az	3	1.6 %
Other phrases	33	70.2 %	Other words	93	51 %

Miscellaneous

Miscellaneous		
Add to favorites (estimated)	8 / 109 Visitors	7.3 %

HTTP Status codes

HTTP Status codes*		Hits	Percent	Bandwidth
404	Document Not Found	1510	90.3 %	2.03 MB
206	Partial Content	162	9.6 %	14.77 MB

* Codes shown here gave hits or traffic "not viewed" by visitors, so they are not included in other charts.

Advanced Web Statistics 6.4 (build 1.814) - Created by awstats

Subject: Arizona Sample Policy
From: Steve Rauzi <steve.rauzi@azgs.az.gov>
Date: Tue, 01 Aug 2006 08:18:21 -0700
To: james.donnelly@beg.utexas.edu

James,

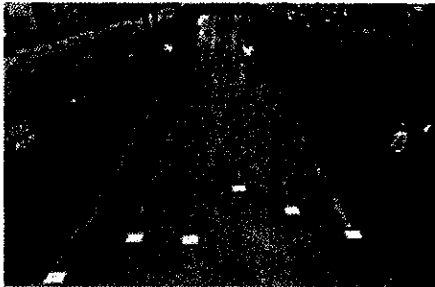
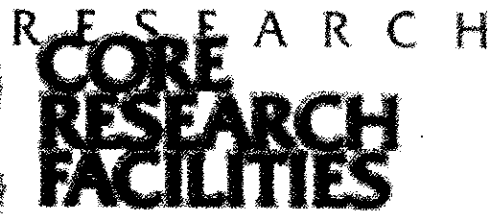
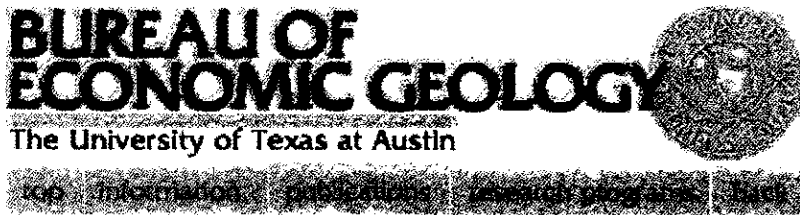
Thank you for returning my call and discussing your approach to destructive analysis of core and cuttings. I've attached the sample policy of the Arizona Oil and Gas Conservation Commission that we talked about. The policy is partially based upon the fact that the Commission requires an operator to submit samples under R12-7-121, which may be viewed at:
http://www.azsos.gov/public_services/Title_12/12-07.htm

Steve

AZSamplepolicy.doc	Content-Type: application/msword
	Content-Encoding: base64

8-1-06

Short answer = no destructive testing
At least not in mass quantities
However, depends on amt of core vs. destructive amt.
No compression testing.
All donations voluntary
Old guidelines from 1980s based on specific DOE projects
Hope to draft more general policy
Would like to see OGCC policy
Email him AZ Sample Policy + R121



**Austin
Core
Research
Center**



Click here to access the Integrated Core and Log Database (IGOR)

Hours

Monday–Friday
8:00 a.m. to 5:00 p.m.

Physical address

10100 Burnet Road
J. J. Pickle Research
Campus
Building 131
Austin, Texas 78758

Mailing address

Box X, University
Station
Austin, Texas 78713

Telephone

(512) 471-0402
Fax: (512) 471-0140

The Austin Core Research Center (CRC), located adjacent to Bureau headquarters, is the Bureau's main core repository for core and rock material donated to the University. More than 500,000 boxes of core and cuttings from wells drilled throughout Texas, the U.S., and the world are available at this facility for public viewing and research. Austin, Houston, and Midland core facilities have combined holdings of nearly 2 million boxes of geologic material.

Searchable Database

The Integrated Core and Log Database (IGOR) is a searchable database for all CRC core and well cutting holdings. Some Austin and Midland data are not currently included in IGOR; please contact James Donnelly (512-471-0402) if you have any questions regarding this.

Resources and Services

Public facilities include core examination layout rooms and processing rooms for slabbing core. Nominal fees are charged to rent table space and to view core. Other services are available upon request.

Comprehensive Austin and Midland CRC inventories are available on CD-ROMs for \$10.00 (contact Publications Sales or James Donnelly). Data are listed in Excel spreadsheet format.

ACRC Staff

George Bush, CRC Curator and Facility Manager
Contact George for CRC policies, procedures, and fees.
george.bush@beg.utexas.edu; (512) 475-9594

James Donnelly, Database
Contact James to arrange for core viewings.
james.donnelly@beg.utexas.edu; (512) 471-0402

Robert Sanchez, Warehouse
robert.sanchez@beg.utexas.edu; 512-471-0402

**Midland Core Research
Center**
**Houston Research
Center**

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 11/21/86

*** Guideline for destructive analyses of samples under 6.c of the sample policy:**

Destructive analysis of samples under 6.c depends on the amount of sample versus the destructive amount. No destructive testing shall be permitted unless the Oil and Gas Program Administrator determines that:

1. A sufficient quantity of the sample remains after the destructive testing to provide an adequate and representative amount of sample for future use, and
2. The information provided from the destructive testing exceeds the value of destruction.

There shall be no skeletonization of samples collected under A.A.C. R12-7-121 unless the Oil and Gas Program Administrator determines that a sufficient amount of sample remains after skeletonization to provide an adequate and representative sample for future use

Guideline adopted 10/27/2006

SUMMARY OF RULES BEING REVIEWED, NOVEMBER 2006
ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

<u>RULE NUMBER</u>	<u>TITLE</u>	<u>LAST REVISED</u>	<u>EFFECTIVE</u>	<u>CONSISTENT</u>	<u>A.R.S. AUTHORITY</u>	<u>ACTION</u>	<u>ENFORCEMENT</u>	<u>CLARITY, CONCISENESS AND UNDERSTANDABILITY</u>
R12-7-101	Definitions	2000	Yes	Yes	27-516 27-656	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-103	Bond	2005	Yes	Yes	27-516(A)(3) 27-654	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-104	Application for Permit to Drill	1997	Yes	Yes	27-513 27-659	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-105	Change of Location	1994	Yes	Yes	27-516(A)(2) 27-659	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-106	Identification of Wells and Facilities	1994	Yes	Yes	27-516(A)(8) 27-656	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-107	Spacing of Wells	1994	Yes	Yes	27-516(A)(12) 27-652	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-108	Pit for Drilling Mud and Drill Cuttings	1994	Yes	Yes	27-516(A) 27-656	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-110	Surface Casing Requirements	1994	Yes	Yes	27-516(A)(1) 27-652(B)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-111	Intermediate and Production Casing Requirements	1994	Yes	Yes	27-516(A)(1) 27-652(B)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-112	Defective Casing or Cementing	1994	Yes	Yes	27-516(A)(1) 27-652(B)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-113	Blowout Prevention and Well-control Equipment	1994	Yes	Yes	27-516(A)(6) 27-660	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-114	Recovery of Casing	1994	Yes	Yes	27-516(A) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable

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R12-7-115	Deviation of Hole and Directional Drilling	1994	Yes	Yes	27-516(A)(12) 27-656	Amend	Yes, with no difficulty	Rule is not clear, concise and understandable
R12-7-116	Multiple Zone Completions	1994	Yes	Yes	27-516(A)(13) 27-656	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-117	Artificial Stimulation of Oil and Gas Wells	1998	Yes	Yes	27-516(A)(9)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-118	Operations in Hydrogen Sulfide Environments	1994	Yes	Yes	27-502(A)(6) 27-660	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-119	Wellhead and Lease Equipment	1996	Yes	Yes	27-503(B) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-120	Notification of Fires, Leaks, Spills, and Blowouts	1996	Yes	Yes	27-503(B) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-121	Well Completion and Filing Requirements	2000	Yes	Yes	27-516(A)(2) 27-661	Amend	Yes, with no difficulty	Rule is not clear, concise and understandable
R12-7-122	Recompletion and Routine Maintenance Operations	1996	Yes	Yes	27-516(A)(2) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-125	Temporarily Abandoned And Shut-in Wells	2000	Yes	Yes	27-516(A)(1) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-126	Application to Plug and Abandon	1996	Yes	Yes	27-516(A)(1) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-127	Plugging Methods and Procedures	1996	Yes	Yes	27-516(A)(1) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-128	Stratigraphic, Core, and Seismic Holes	1996	Yes	Yes	27-516(A) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable

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R12-7-129	Wells to be Used as Water Wells	2002	Yes	Yes	27-506(C) and (D) 27-658	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-135	Gas-oil Ratio and Potential Tests	1993	Yes	Yes	27-516(A)(5) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-136	Subsurface Pressure Tests and Reservoir Surveys	1993	Yes	Yes	27-503(B)(4) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-137	Commingling of Production from Pools	1993	Yes	Yes	27-516(A)(13) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-138	Casinghead Gas	1993	Yes	Yes	27-516(A)(15)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-139	Use of Vacuum Pumps	1993	Yes	Yes	27-516(A)(14) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-140	Pollution, Surface Damage, and Noise Abatement	2002	Yes	Yes	27-502(A)(6) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-142	Measurement of Oil	1993	Yes	Yes	27-516(A)(15)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-143	Oil Tanks, Fire Walls, and Fire Hazards	1993	Yes	Yes	27-516(A)(7)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-150	Capacity Tests of Gas Wells and Geothermal Wells	1993	Yes	Yes	27-503(B) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-151	Measurement of Gas and Geothermal Resources	1993	Yes	Yes	27-503(B) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-152	Utilization of Gas	1993	Yes	Yes	27-503(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable

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R12-7-153	Non-hydrocarbon Gas	1993	Yes	Yes	27-501(9)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-160	Regulation of Production	1993	Yes	Yes	27-516(A)(13) 27-652	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-161	Producer's Monthly Report	1993	Yes	Yes	27-516(A)(15) 27-662	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-175	Injection Wells, Including Disposal and Storage Wells	1996	Yes	Yes	27-516(A)(20) 27-652	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-176	Permits for Injection Wells	1996	Yes	Yes	27-516(A)(20) 27-652	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-178	Notice of Commencement and Discontinuance of Injection	1996	Yes	Yes	27-516(A)(20) 27-652	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-179	Testing and Monitoring of Injection Wells	1996	Yes	Yes	27-503(B) 27-652	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-180	Supplementary Requirements for Storage Wells	1996	Yes	Yes	27-516(A)(20)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-181	Design and Construction of Storage Wells and Cavities	1996	Yes	Yes	27-516(A)(20)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-182	Operation, Inspection, and Closure of Storage Wells	1996	Yes	Yes	27-516(A)(20)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-183	Certificate of Compliance and Authorization to Transport	1997	Yes	Yes	27-509 27-656	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-184	Recovered Load Oil	1993	Yes	Yes	27-510	None	Yes, with no difficulty	Rule is clear, concise and understandable

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R12-7-185	Transporter's and Storer's Monthly Report	1993	Yes	Yes	27-503(B)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-186	Gas or Geothermal Purchaser's Monthly Report	1993	Yes	Yes	27-503(B) 27-656	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-187	Injection Project Report	1993	Yes	Yes	27-503(B) 27-652(A)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-188	Refinery Reports	1993	Yes	Yes	27-503(B)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-190	Gasoline Plant Reports	1993	Yes	Yes	27-503(B)	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-192	Books and Records to Substantiate Reports	1993	Yes	Yes	27-503(B) 27-662	None	Yes, with no difficulty	Rule is clear, concise and understandable
R12-7-194	Organization Reports	1993	Yes	Yes	27-513 27-659	None	Yes, with no difficulty	Rule is clear, concise and understandable

ACGCC Mtg Oct 27, 2006

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