

OIL & GAS CONSERVATION COMMISSION  
MINUTES OF MEETING / APRIL 16, 2000  
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 April 16, 2010, at 10:00 a.m. in Room 321 of the State Land Department Building located at 1616 West Adams Street, Phoenix, Arizona 85007.

The agenda for the meeting is as follows:

1. Call to Order
2. Approval of Minutes of Meeting of January 15, 2010
3. Conflicts of interest
4. Report of State Geologist and Director about administrative, budget, and staff support matters
5. Report of Oil & Gas Administrator about new permits and drilling activity
6. Status of Ridgeway Arizona Oil Corporation drilling program between St Johns and Springerville and possible report from a representative of Ridgeway
7. 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.
8. Announcements
9. Adjournment

The Oil and Gas Conservation Commission may vote to go into Executive Session, pursuant to A.R.S. § 38-431.03(A)(3) 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 8th day of April 2010

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  
January 15, 2010

Present:

Dr. J. Dale Nations, Chairman  
Mr. Stephen R. Cooper, Member  
Frank Thorwald, Member  
Mr. Robert L. Wagner, Member  
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

Dr. Nations, Chairman, called the regular Commission Meeting of January 15 to order at 10:00 a.m. in Room 321, State Land Department Building in Phoenix, Arizona. Commissioner Thorwald did not participate in voting because his required paperwork was not yet completed.

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 16, 2009

Mr. Cooper moved, seconded by Mr. Nations:

THAT THE MINUTES OF THE MEETING OF OCTOBER 16, 2009, BE  
ACCEPTED AS PRESENTED

Motion carried unanimously.

CONFLICTS OF INTEREST

None

REPORT OF STATE GEOLOGIST AND DIRECTOR OF ARIZONA GEOLOGICAL SURVEY

Mr. Rauzi reported that Dr. Allison summarized the budget situation in his December 20, 2009 blog.

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 nine permits were issued and seven wells were drilled in 2009. He reviewed the results of the drilling and completion activity.

DISCUSSION OF RIDGEWAY ARIZONA OIL CORP PERMITS 888, 896, 937, 938, 939, 943, 945, 954, AND 966 AND POSSIBLE DECISION CONCERNING SHUT-IN STATUS

Mr. Rauzi reported that Ridgeway submitted a written request to extend shut-in status for one year. He indicated that Ridgeway's unit agreement was approved and that there was no reported change in the mechanical condition and integrity of the wells. Mr. Rauzi recommended approval of the request.

Mr. Cooper moved, seconded by Mr. Wagner:

TO GRANT SHUT-IN STATUS FOR ONE YEAR

Motion carried unanimously.

DISCUSSION OF RIDGEWAY ARIZONA OIL CORP PERMITS 916, 940, 941, 944, 946, 947, 950, 953, 955, 956, 957, 959, 962, 963, 964 AND 970 AND POSSIBLE DECISION CONCERNING TEMPORARY ABANDONMENT

Mr. Rauzi reported that Ridgeway submitted a written request to extend temporary abandonment for one year. He indicated there was no reported change in the mechanical condition and integrity of the wells and recommended approval of the request. Mr. Rauzi explained the difference between shut-in and temporary abandon status.

Mr. Wagner moved, seconded by Mr. Cooper:

TO GRANT TEMPORARY ABANDONMENT FOR ONE YEAR

Motion carried unanimously.

STATUS OF RIDGEWAY ARIZONA OIL CORPORATION DRILLING PROGRAM BETWEEN ST JOHNS AND SPRINGVILLE INCLUDING POSSIBLE REPORT FROM RIDGEWAY

Mr. White reported that a unit agreement was approved that required five wells to be drilled within the first year. He indicated that Ridgeway planned to start permitting those wells shortly.

ELECTION OF OFFICERS

Mr. Wagner moved, seconded by Mr. Cooper:

TO CONTINUE DR. NATIONS AS CHAIRMAN FOR TWO MORE YEARS

Motion carried unanimously.

Mr. Cooper moved, seconded by Dr. Nations:

TO ELECT MR. WAGNER VICE-CHAIRMAN FOR TWO YEARS

Motion carried unanimously.

CALL TO THE PUBLIC

Mr. Hafely stated his appreciation for the Commission's work. Mr. Dixon reported that the Ridgeway unit agreement was amended to require the five obligation wells to be drilled by February 2011 instead of 2010 and announced that recent press releases indicated that PetroSun received \$12.5 million to drill in the Holbrook basin.

ANNOUNCEMENTS

Commissioner Thorwald introduced himself and briefly described his background. The Commission scheduled its next meeting at 10:00 a.m. on April 16, 2010, in room 321 at the State Land Department Building in Phoenix.

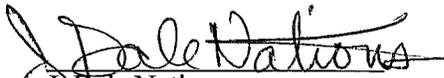
ADJOURNMENT

Mr. Wagner moved, seconded by Mr. Cooper:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:25 a.m.

APPROVED

  
J. Dale Nations  
Chairman

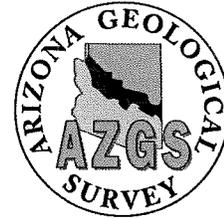
GUESTS IN ATTENDANCE

Curtis Cox	Assistant Attorney General
Joe Dixon	State Land Department
Leonard Hafely	Public from Kingman
Michele Van Quathem	Riley Carlock and Applewhite
Thomas White	Ridgeway Arizona Oil Corporation



Janice K. Brewer  
Governor

State of Arizona  
**Arizona Geological Survey**  
416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



M. Lee Allison, Ph.D., R.G.  
Director and State Geologist

April 9, 2010

To: Oil and Gas Conservation Commissioners  
From: <sup>SLR</sup> Steven L. Rauzi, Oil and Gas Administrator  
Re: Activity Report for the April 16, 2010, Meeting

No new drilling permits were issued nor wells drilled since your last meeting on January 15, 2010. Ridgeway extended three permits for wells they want to drill as part of their unit agreement obligation with the State Land Department. APS (Arizona Public Service) is waiting on final approval from the U.S. EPA to plug the stratigraphic well it drilled near the Cholla Power plant to test the potential to sequester carbon dioxide. The well revealed that the Devonian and Pennsylvanian rocks underlying the Cholla Power plant are not porous or permeable enough to sequester carbon dioxide near the Cholla site.

Arizona Natural Gas Storage (ANGS) completed a non-binding open season on February 25, 2010 and is completing various investigations and applications to permit, construct and operate a natural gas storage-well facility in subsurface salt in the Picacho Basin. ANGS introduced themselves and discussed their plans for the natural gas storage facility in your July 2009 meeting. ANGS plans to start drilling later this year. The Federal Energy Regulatory Commission (FERC) requested the Oil and Gas Conservation Commission (Arizona Geological Survey) to participate in the FERC approval process as a cooperating agency.

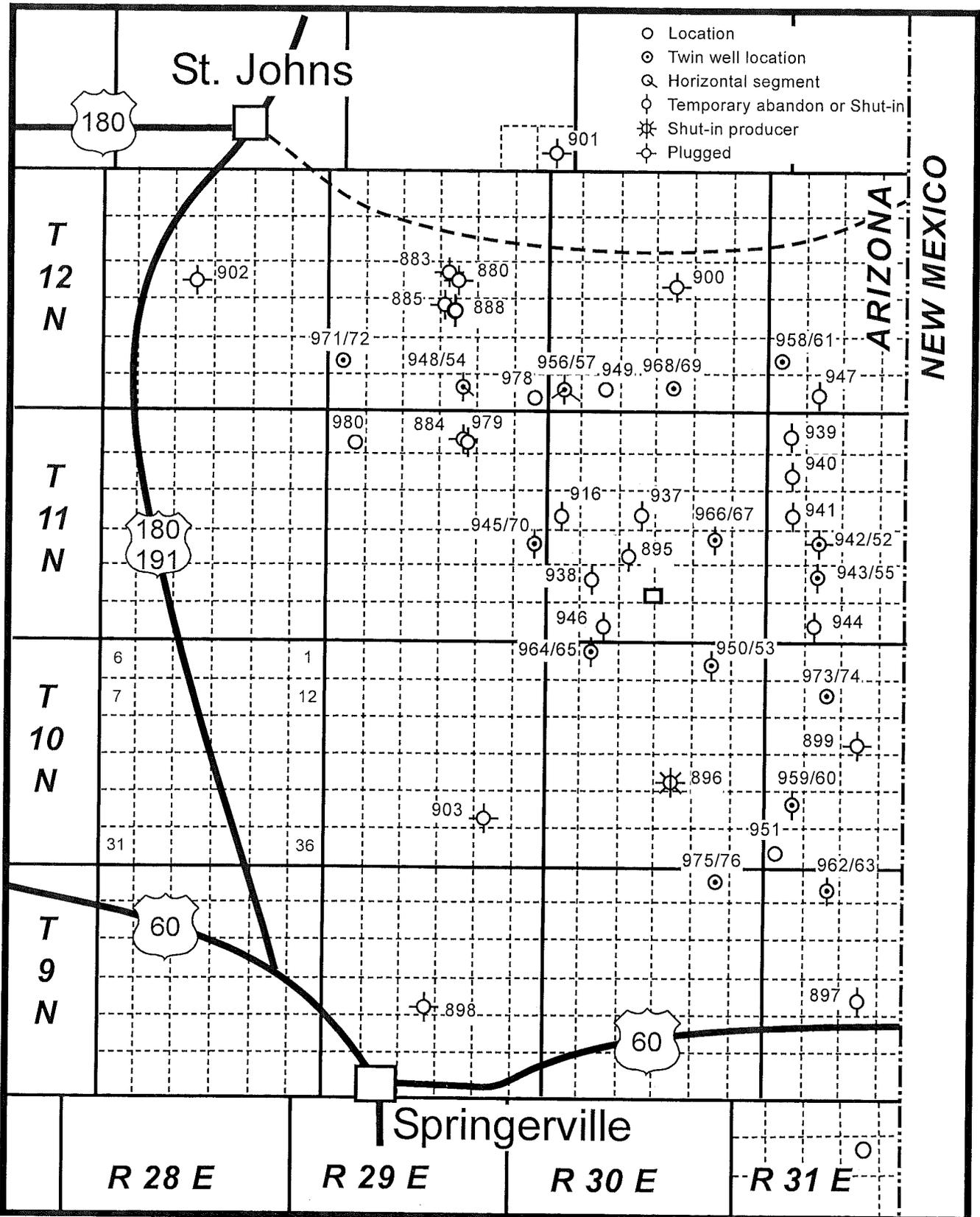
Plains LPG (liquefied petroleum gas) completed a required five-year volume verification survey and mechanical integrity test of cavern 1 at its LPG storage facility near Luke Air Force Base. An operator verifies the volume by lowering a sonar tool down the hole to measure the radius and calculate the incremental and total capacity of the cavern. The integrity of the cavern and casing is tested by applying and measuring pressure over a period of time. I completed an inspection of both the Plains facility near Luke and the Enterprise Products facility near Holbrook. All wellhead valves, pneumatic controls, and emergency shut down and flare systems were in good working condition. Plains operates three wells with a total capacity of 163 million gallons. Enterprise operates 11 wells with a total capacity of 94 million gallons.

## Location and status of Ridgeway Arizona Oil Corp wells in east-central Arizona

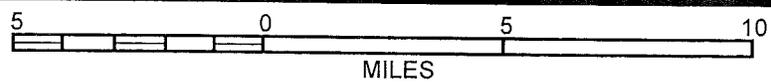
Permit	Well	Location Sec-Twp-Rge	Total Depth	Status and comment
880	1 Plateau Cattle	ne sw 15-12n-29e	2431 ft	Drilled 8/1994, plugged 9/1997
883	1A Plateau Cattle	ne sw 15-12n-29e	220 ft	Drilled 11/1994, plugged 11/1997
884	3-1 State	ne se 3-11n-29e	1813 ft	Drilled 10/1995, plugged 9/2004
885	22-1 State	nw nw 22-12n-29e	218 ft	Drilled 8/1995, plugged 8/1997
888	22-1X State	se nw 22-12n-29e	2149 ft	Drilled 6/1997, shut-in 6/1997
890	35-1 State	ne sw 35-12n-29e	not drilled	Permit expired 4/1997
891	10-1 State	sw ne 10-11n-29e	not drilled	Permit expired 4/1997
892	11-1 State	se nw 11-11n-29e	not drilled	Permit expired 4/1997
893	2-1 State	se nw 2-11n-29e	not drilled	Permit expired 4/1997
895	11-21 State	ne sw 21-11n-30e	2410 ft	Drilled 3/1997, shut-in / app to plug
896	10-22 State	sw sw 22-10n-30e	2265 ft	Completed 7/2002; shut in 3/2004
897	9-21 State	sw ne 21-9n-31e	2686 ft	Drilled 3/1997, shut-in / app to plug
898	9-22-29 State	sw se 22-9n-29e	3180 ft	Drilled 4/1997, plugged 2/2004
899	10-16-31 State	ne sw 16-10n-31e	2728 ft	Drilled 5/1997, plugged 2/2004
900	12-15-30 State	ne sw 15-12n-30e	2603 ft	Drilled 5/1997, plugged 7/2008
901	13-36-29 State	sw ne 36-13n-29e	2454 ft	Drilled 5/1997, plugged 5/1997
902	12-16-28 State	nw ne 16-12n-28e	2280 ft	Drilled 5/1997, plugged 1/2005
903	10-26-29 State	nw sw 26-10n-29e	3200 ft	Drilled 5/1997, plugged 1/2000
904	15-28-29 State	ne nw 28-15n-29e	2410 ft	Drilled 6/1997, plugged 6/1997
915	11-33 State	ne sw 33-11n-30e	not drilled	Permit expired 10/2004
916	11-18 State	c sw 18-11n-30e	2535 ft	Drilled 5/2004, temporarily abandoned
917	10-13 State	ne sw 13-10n-30e	not drilled	Permit expired 10/2004
937	11-16-30 State	nw se 16-11n-30e	2377 ft	Drilled 3/2007, shut-in
938	11-29-30 State	se nw 29-11n-30e	1906 ft	Drilled 2/2007, shut-in
939	11-06-31 State	nw se 06-11n-31e	2711 ft	Drilled 4/2007, shut-in
940	11-07-31 State	nw se 07-11n-31e	1885 ft	Drilled 4/2007, temporarily abandoned
941	11-18-31 State	nw se 18-11n-31e	2035 ft	Drilled 4/2007, temporarily abandoned
942	11-20-31 State	se nw 20-11n-31e	1934 ft	Drilled 5/2007, plugged 2/2008
943	11-29-31 State	se nw 29-11n-31e	2850 ft	Drilled 5/2007, shut-in
944	11-32-31 State	ne sw 32-11n-31e	2900 ft	Drilled 5/2007, temporarily abandoned
945	11-24-29 State	sw ne 24-11n-29e	1906 ft	Drilled 2/2007, shut-in
946	11-32-30 State	c se 32-11n-30e	1690 ft	Drilled 3/2007, temporarily abandoned
947	12-32-31 State	ne sw 32-12n-31e	85 ft	Spudded 5/2007, temporarily abandoned
948	12-34-29 State	nw ne 34-12n-29e	1140 ft	Drilled 2/2008, plugged 2/2008, blow out
949	12-32-30 State	sw ne 32-12n-30e	not drilled	Permit expired 7/2008
950	10-02-30 State	sw ne 02-10n-30e	2650 ft	Drilled 2/2008, temporarily abandoned
951	10-31-31 State	nw sw 31-10n-31e	not drilled	Permit expired 9/2008
952	11-20-31x State	se nw 20-11n-31e	not drilled	Permit expired 7/2008
953	10-02-30x State	sw ne 02-10n-30e	1899 ft	Drilled 2/2008, temporarily abandoned
954	12-34-29x State	nw ne 34-12n-29e	3048 ft	Drilled 2/2008, shut-in
955	11-29-31x State	se nw 29-11n-31e	1909 ft	Drilled 3/2008, temporarily abandoned
956	12-31-30 State	se nw 31-12n-30e	2814 ft	Drilled 3/2008, temporarily abandoned
957	12-31-30x State	se nw 31-12n-30e	2622 ft	Drilled 3/2008, temporarily abandoned
958	12-30-31 State	sw sw 30-12n-31e	not drilled	Permit expired 8/2008
959	10-29-31 State	sw ne 29-10n-31e	4202 ft	Drilled 3/2008, temporarily abandoned
960	10-29-31x State	sw ne 29-10n-31e	not drilled	Permit expired 8/2008
961	12-30-31x State	sw sw 30-12n-31e	not drilled	Permit expired 9/2008
962	09-05-31 State	nw se 05-09n-31e	122	Drilled 4/2008, temporarily abandoned
963	09-05-31x State	nw se 05-09n-31e	2969 ft	Drilled 4/2008, temporarily abandoned
964	10-05-30 State	nw nw 05-10n-30e	2600 ft	Drilled 3/2008, temporarily abandoned
965	10-05-30x State	nw nw 05-10n-30e	not drilled	Permit expired 9/2008
966	11-23-30 State	nw ne 23-11n-30e	2550 ft	Drilled 4/2008, shut-in
967	11-23-30x State	nw ne 23-11n-30e	not drilled	Permit expired 9/2008
968	12-34-30 State	se nw 34-12n-30e	not drilled	Permit expired 12/2008
969	12-34-30x State	se nw 34-12n-30e	not drilled	Permit expired 12/2008
970	11-24-29x State	sw ne 24-11n-29e	2137 ft	Drilled 4/2008, temporarily abandoned
971	12-30-29 State	ne sw 30-12n-29e	not drilled	Permit extended 9/3/2010
972	12-30-29x State	ne sw 30-12n-29e	not drilled	Permit expired 1/2009
973	10-08-31 State	sw ne 08-10n-31e	not drilled	Permit expired 2/14/2009
974	10-08-31x State	sw ne 08-10n-31e	not drilled	Permit expired 2/14/2009
978	12-36-29 State	nw sw 36-12n-29e	not drilled	Permit expired 8/13/2009
979	11-03-29x State	ne se 03-11n-29e	80 ft	Spudded 2/2009, temporarily abandoned
980	11-06-29 State	se se 06-11n-29e	not drilled	Permit extended to 8/13/2010

03/03/2010

# Ridgeway Arizona Oil Corporation Wells



04/08/10



MILES

**Subject:** Resignation from my Commissioner post on the Oil and Gas Conservation Commission

**From:** "Bruce & Michele Negley" <negleysinaz@cox.net>

**Date:** Tue, 13 Apr 2010 16:17:38 -0700

**To:** "Steve Rauzi" <steve.rauzi@azgs.az.gov>

Dear Steve,

I regret to inform you that I am resigning from the Arizona Oil and Gas Conservation Commission. I have accepted a job offer in Texas, and must leave this week to get started. I will be traveling back to Arizona regularly through May, but will be gone for this week's meeting.

It has been a great pleasure to serve with you and the other commissioners. I will miss seeing everyone. I do apologize for the short notice, but this opportunity came up quickly.

My new phone number is 512-983-7750, and I do not yet have an Austin, Texas address.

Please extend my regards to my fellow commissioners as well as the staff members who support us. You, in particular, have been impressive, dedicated, and a joy to work with over the years.

Very Best Regards,

Michele Negley

AOGCC Mtg

4-16-10

Name

Thomas White

Representing