

OIL AND GAS CONSERVATION COMMISSION
1645 West Jefferson Street
Suite 420
Phoenix, Arizona 85007

Minutes of Meeting
March 21, 1980
Anschutz Drilling Location
Florence, Arizona

Present:

Mr. Ralph W. Bilby, Chairman
Mr. Johnny Gregovich, Member
Dr. J. Dale Nations, Member
Mr. L. A. Palmer, Member

The regular Commission meeting of March 21, 1980 was called to order by Chairman Ralph Bilby at 10:00 a.m.

Chairman Bilby commented that this was the first meeting the Commission ever had on the desert, away from any town, at a wellsite, and that it was a pleasure to meet in such unusual surroundings.

The Chairman introduced Mr. Charles Williams, Manager of Western Operations, and Mr. Jim Bundy, Drilling Manager of Anschutz Corporation. Mr. Bundy gave a rundown on the operations at the location. He advised that one of the largest drilling rigs in the world is on the location. The rig is owned by Parker Drilling Company and is capable of drilling over 20,000 feet.

Mr. Williams advised that present plans are to start two other wells, both in southeastern Arizona, during the present calendar year. There are two seismic crews running in the area north and west of Phoenix. These will be under the direct supervision of Anschutz Corporation's partner - Texoma. Texoma will be operating in the northwest part of Arizona and Anschutz Corporation, with three crews, in the rest of the state. Anschutz Corporation will have authority over all drilling and development operations within the state.

At the conclusion of the presentation by Mr. Williams and Mr. Bundy, the regular business meeting of the Commission was called to order by Chairman Bilby.

Minutes of the meeting of January 18, 1980 were approved as written.

Reports of the Executive Secretary, Enforcement Section and Geology Section were accepted.

The Executive Secretary advised that the Commission has re-introduced a bill which failed to pass at the last session of the

Legislature which will give the Commission statutory authority to make natural gas pricing determinations, as mandated by the Federal Energy Regulatory Commission. In the event the bill does not pass, the Executive Secretary feels the Commission should have a hearing to establish the rules for natural gas pricing determinations, as well as updating the current rules and regulations.

The Executive Secretary advised that two bills have been introduced in the current session of the Legislature, one in the Senate and the other in the House of Representatives, both combining the Oil and Gas Conservation Commission with several other departments to create a separate Energy Department. It is felt that these bills will not pass.

Another bill has been introduced to create a Legislative Oversight Committee. This committee would approve any new rules or amendments suggested for adoption by all departments.

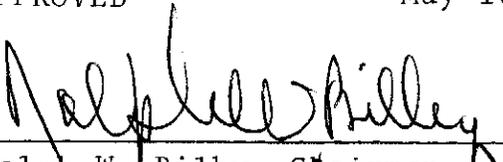
The Chairman introduced Mr. A. K. Doss of the State Land Department, who outlined the leasing policy of his office.

The Chairman then introduced Mr. Robert Lane, Deputy State Land Commissioner, who gave a brief outline of his experience before joining the State Land Department and the position he now holds as Deputy State Land Commissioner.

The meeting adjourned at 11:15 a.m. to go into Executive Session.

APPROVED

May 16, 1980



Ralph W. Bilby, Chairman

Also Present:

Mr. Jim Bundy, Anschutz Corporation
Mr. Charles Williams, Anschutz Corporation
Dr. H. Wesley Peirce, Bureau of Geology and Mineral Technology
Mr. Robert Lane, State Land Department
Mr. A. K. Doss, State Land Department
Mr. Dick Wilbur, Tucson Daily Citizen