

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

Minutes of Meeting
September 19, 1980

Present:

Mr. Ralph W. Bilby, Chairman
Mr. Hal Butler, Vice Chairman
Dr. J. Dale Nations, Member
Mr. L. A. Palmer, Member

Absent:

Mr. Johnny Gregovich, Member

The regular Commission meeting of September 19, 1980 was called to order by Chairman Ralph Bilby at 10:00 a.m.

Minutes of the meeting of May 16, 1980 were approved as written.

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

The Executive Secretary advised that the Commission might wish to consider increasing the amount of the performance bond required for drilling a well. Presently, a \$5,000 bond is required for drilling one well, or \$25,000 for multiple wells. As the rules and regulations are presently being revised, any changes in the amount of bond required could be included in the revision. After discussion, the Executive Secretary was instructed to submit estimated costs of plugging wells at the next meeting of the Commission.

The Executive Secretary introduced Mr. Don Reville of the Executive Budget Office who was present to interpret the Department of Administration's requirements in the completion of the 1981-1982 budget request. In discussing the Commission's budget request for 1981-1982, the Executive Secretary advised that all state departments received an executive directive from the Governor that budget requests be reduced 10% from the approved 1980-1981 budgets under which the departments are now operating. Mr. Reville elaborated that it is anticipated there will be insufficient funds to honor budget requests at the 1980-1981 level, thus a 10% reduction is being requested, although the final allotment might vary.

The Executive Secretary suggested that the Geologist II be terminated because 1) the Commission at this time does not require the exclusive services of a geologist, 2) the Commission has a capable and experienced petroleum geologist in the person of Don Whittaker, Director of Enforcement, and 3) the termination of this position would solve the budget problems regarding

the Governor's request for a 10% cut in the 1981-1982 budget as compared with the 1980-1981 budget. After discussion, it was moved and passed that the Geologist II position be eliminated from the 1981-1982 budget request and that Mr. Salvatore Giardina be advised that his position will terminate on December 31, 1980.

After discussion of the proposed budget request for 1981-1982, it was moved and passed that the budget be approved as outlined, and that the Executive Secretary so advise the Executive Budget Office and the Joint Legislative Budget Committee, in writing, including the amendment outlined previously regarding the termination of the Geologist II position.

The meeting adjourned at 11:45 a.m.

APPROVED

January 16, 1980

A handwritten signature in cursive script, reading "Ralph W. Kelley", is written over a horizontal line.

Also Present:

Dr. Larry Fellows, State Geologist

Mr. Don Reville, Executive Budget Office



OFFICE OF

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The Oil and Gas Conservation Commission, at its regularly scheduled meeting on September 19, 1980, resolved to grant to W. E. Allen, its Executive Secretary, authority to enter into a service agreement with the Department of Administration, Surplus Property Division, for the repair and maintenance of two electric typewriters for the fiscal year 1980-1981 and as long thereafter as Mr. Allen remains Executive Secretary of the Oil and Gas Conservation Commission.

Dated the 19th day of September, 1980.

A handwritten signature in cursive script, appearing to read "Ralph W. Bilby", written over a horizontal line.

Ralph W. Bilby, Chairman