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

Minutes of Meeting
January 16, 1981

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

The regular Commission meeting of January 16, 1981 was called to
order by Chairman Ralph Bilby at 10:00 a.m.

Minutes of the meeting of September 19, 1980 were approved as
written.

The Executive Secretary advised that Southwest Natural Gas Company
intends to initiate an underground natural gas storage project in
the Red Lakes area northwest of Kingman, Arizona, although they
have not yet applied for a permit. The Executive Secretary ex-
pressed concern about several aspects of the safety of the project
and suggested that a hearing be held before approval of the pro-
ject. After discussion, Dr. Fellows agreed that the Department of
Geology and Mineral Technology would investigate and report to the
Commission on the geological problems in general of the Red Lake
area.

The Executive Secretary advised that the United States Geological
Survey, in cooperation with certain members of the scientific
community, have proposed to take over the well drilled by Phillips
Petroleum Company in Pinal County, Arizona, for scientific study
and that it will be necessary that we have an agreement with the
United States Geological Survey, together with their bond, as re-
quired by statute. Upon completion of the studies, the well would
be plugged and abandoned in accordance with the Commission rules
and regulations. The Executive Secretary advised the Commission
members they would be kept advised of further developments.

The Executive Secretary advised that the Interstate Oil Compact
Commission is sponsoring a workshop on underground injection con-
trol in Kansas City, Missouri on February 4 and 5, 1981 and he felt
it was extremely important that a staff member attend. After dis-
cussion, it was moved and passed that the Executive Secretary
arrange to have the necessary funds transferred from another ac-
count to the Out-of-State Travel Account and that Mr. Don Whittaker
attend the workshop.
Member Dale Nations suggested that the Executive Secretary submit an annual report to the members of the Commission which would cover drilling activities, production data, and a map showing the areas of activity. After discussion, it was moved and passed that such report be compiled for the calendar year 1980, and be submitted on an annual basis thereafter.

Member Johnny Gregovich thanked the members of the Commission for the kindness and interest they expressed to him during his recent illness. Chairman Bilby responded that the Commission members were very glad to have Mr. Gregovich back.

Dr. L. D. Fellows, State Geologist, advised that the Bureau of Geology and Mineral Technology in Tucson has employed a geologist who will take over the responsibility for geological state map revision projects and will work closely with the Commission staff on the revisions. Chairman Bilby expressed the appreciation of the Commission to Dr. Fellows for his attendance at the Commission meetings and the cooperation of his staff.

The next meeting of the Commission will be at 10:00 a.m. on Friday, March 19, 1981.

The meeting adjourned at 11:25 a.m.

APPROVED

[Signature]

Also Present:
Dr. L. G. Fellows, State Geologist