

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

Minutes of Meeting
November 19, 1982

Present:

Dr. J. Dale Nations, Vice-Chairman
Mr. L. A. Palmer, Member
Mr. Forrest R. Rickard, Member
Mr. Watson M. Tomerlin, Member

The regular Commission meeting of November 19, 1982 was called to order by Dr. Dale Nations at 10:02 a.m. A. K. Doss advised that the Chairman, Mr. Ralph W. Bilby, could not attend this meeting due to an annual meeting of his law firm. After Mr. Bilby's retirement on January 17, 1983, there will be a new member of the Commission whenever the Governor makes an appointment. Mr. Doss suggested that a Vice-Chairman be elected to fill this absence. It was moved by L. A. Palmer and seconded by Forrest Rickard that Dr. Dale Nations serve as the new Vice-Chairman. Motion carried.

A motion was made by Mr. Palmer to approve the minutes of the July 16, 1982 regular meeting although there was not an Executive Session as was indicated on the Agenda for the November 19 meeting. Mr. Rickard seconded the motion. Motion carried. Mr. Doss is to check with the Attorney General regarding the stating of the Executive Session being on the Agenda if there was not an Executive Session held.

A. K. Doss, Executive Director, reviewed his Activity Report. He announced that Russ Kohlsrud will be the new Attorney General for our Commission replacing Tim Pierson who returned to private practice. Mr. Kohlsrud will handle all natural resource cases for the Attorney General's office.

Comment was made by Mr. Doss regarding the log information supplied to Petroleum Information. Dr. Nations remarked that it was a very good move to provide PI this data so that it can be distributed to interested exploration firms.

Mr. Doss advised that the rig at the Wittman location is still on the hole, and that Lee Gibson returned to California to try to secure additional funds to drill another well near the original one as there were legitimate oil shows at this location.

Dr. Nations said that we should be very encouraged about these shows even though they are not going to completion. Mr. Palmer inquired about the drilling at the Lakeside location. He was advised that this location was abandoned.

Rudy Ybarra, the Enforcement Director, reviewed his Activity Report.

Dr. Nations reported that a U. S. Geological Survey geologist is planning to evaluate the oil in Arizona, and that a request for funding has to be submitted. Mr. Doss advised that an oil operator in Kansas is going to present an exploration program to the White Mountain Indian Reservation to do drilling for oil, gas and minerals, and also do some drilling in the Holbrook Basin.

Mr. Doss reported that our Rules and Regulations have been certified by the Attorney General's office and are in the process of being printed. The geothermal Rules and Regulations are also being revised. First, they must be referred to the Governor's Regulatory Review Council for approval. It is then necessary to have a notice published in the "Administrative Digest" and referred again to the Attorney General's office for certification.

According to Ted Decker in Tucson, if the tax benefits are removed from the present federal geothermal laws, it would not be profitable to venture further in his geothermal project there.

Mr. Doss advised that the Natural Gas Pricing Act Rule has been eliminated from our Rules and Regulations because it would require too much legalese. If natural gas is deregulated in the future, then it is certain that the necessity for the Rule will be eliminated. It was noted that there is not a state statute pertaining to the Natural Gas Pricing Act.

Pertaining to new business, Mr. Doss discussed the upcoming election of a Chairman to replace Mr. Bilby when he retires in January, and suggested having a Vice-Chairman. Mr. Doss will check into the procedure for this election. Mr. Doss suggested that the Commission should entertain composing a letter to Mr. Bilby thanking him for his past service. This will be dealt with at the January 1983 meeting. Mr. Rickard suggested that a letter from Mr. Bilby be sent stating his intention to retire so that his vacancy may be filled without having too long a delay. Dr. Nations and Mr. Palmer said that the Governor should act on this. Mr. Doss will contact the Governor's Office for this action.

Dr. Nations suggested that we have some explanation of well procedures for the benefit of the Commissioners to understand the terminology better. An informational program would be helpful at each meeting which could include a slide presentation. An application process for a well could also be discussed.

Rudy Ybarra stated that he is working on a reserves figure as he has had many requests for this information.

At 11:11 a.m., upon a motion by Mr. Palmer to adjourn and seconded by Mr. Rickard, the meeting adjourned.

APPROVED

J. Dale Nations