

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

Minutes of Meeting
January 21, 1983

Present:

Mr. Ralph W. Bilby, Chairman
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 January 21, 1983 was called to order by Ralph W. Bilby, Chairman, at 10:00 a.m.

Mr. Palmer moved that the minutes of the November 19, 1982 meeting be approved as written. Motion was seconded by Mr. Tomerlin. Motion carried.

Mr. Doss, Executive Director, presented his Activity Report. He advised that Phillips Petroleum was making application for competitive geothermal leases on state land. Gary Chadburn, project geologist, said he has budget approval for \$500,000 for geothermal exploration in Arizona for Phillips. Mr. Doss reported that 1983 could be a better year for drilling than 1981. The number of different oil companies drilling should increase considerably in 1983 also. Kerr-McGee plans to drill seven development wells in the Dinah-bi-Keyah area. At the request of Mr. Bilby regarding the status of the Wittman location, Mr. Doss reported that this well was plugged and abandoned. They quit drilling as there was nothing else to test. A total depth of 4520' was reached. Leases are being retained in this area, and there is hope that drilling will be resumed at a later date. Phillips is retaining 277,000 acres in Arizona. Mr. Tomerlin inquired about drilling in the Show Low area. Mr. Doss advised that Sumatra is going to drill a well near Concho very soon.

Mr. Ybarra, Enforcement Director, reviewed his Activity Report. He attended the Annual Water Well Association Convention on January 20 in Phoenix, and was informed that Gary Drilling planned to drill their second well in Coconino County. He has been updating our state map, and this project is now complete. He advised that two wells will be drilled, one by Resources

Operating, Inc. and one by Sumatra for a 4,000' depth sometime this month.

Mr. Bilby inquired about the drilling by Phillips Petroleum. Mr. Doss advised that they are not drilling at present, but plan to drill one more well in the state, but a date and location have not been set.

Dale Nations said that we are to have an introductory presentation explaining the various phases of drilling a well at one of the Commission meetings to acquaint the members with this process.

Mr. Doss advised that the Executive Budget Office and the Joint Legislative Budget Committee have taken away \$5400 from our present operating budget. This leaves us a total of \$139,600. For the proposed budget for next year, we are to be appropriated only \$130,500. Our state travel allocation has been retained due to the increase in the drilling activity which is contemplated.

Mr. Palmer inquired if there were any plans of the Legislature concerning this Commission in this present session. Mr. Doss advised he was not aware of any, but agreed to keep the members informed of any proposals which may take place.

Mr. Ybarra reported on the recent trip to the Roosevelt Lake area of Mr. Doss, John Karabees, and a consulting geologist and a consulting engineer, and himself to view the proposed locations of Sanchez-O'Brien. This is on the north shore, and drilling is planned in the near future. Mr. Doss pointed out that Sanchez-O'Brien has oil and gas leases under the lake as well as around the perimeter of the lake. In 1913 there had been drilling in this area, and supposedly, one of the wellshad a lot of free oil. The consulting geologist reported seeping oil in this area that was so viscous it could be used for roofing material.

Mr. Bilby inquired about drilling in Chino Valley. Mr. Doss said that the drilling was being done by Exxon for porphyry copper in the southeast portion of Chino Valley.

Mr. Tomerlin inquired if there were any restrictions on a Commission member serving on another committee in state service if he was requested to do so. Mr. Doss advised there were no restrictions regarding this, but that all appointments to Boards and Commissions must be confirmed by the Senate.

The meeting adjourned at 10:23 a.m.

APPROVED

Ralph W. Bilby