

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

Minutes of Meeting  
February 24, 1984

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 February 24, 1984 was called to order by Ralph W. Bilby, Chairman, at 10:00 a.m.

Mr. Palmer moved to accept the minutes of the November 18, 1983 meeting, and Dr. Nations seconded the motion. Motion carried.

Ralph J. Pomeroy of Cam-Roy Research and Development Corporation and Dr. Ellis Armstrong, former Commissioner of Reclamation for the U. S. Government, requested an extension of time for a temporary abandonment involving two Powers Ranch geothermal wells which were permitted to Geothermal Kinetics, Inc. These wells are located in Higley, Arizona, which is east of Chandler. It is necessary to move in a rig to service the wells, and adequate time to evaluate the wells will be needed to determine if further exploration work is justified in that area for a proposed housing unit and use for domestic heat. Since Geothermal Kinetics wants to be relieved of plugging these wells, Mr. Pomeroy expressed an interest to assume that responsibility. If a bond is necessary, he will furnish it. Mr. Doss advised that this is a valuable project, and if successful, it would help the state considerably. Dr. Nations requested the present-day status of the wells. Casing has been set and it is necessary to check and rejuvenate the flow of steam. The wells are now shut in. The maximum temperature is 380°. Schlumberger made a detailed analysis. Mr. Pomeroy said it may be necessary to deepen the wells and he wants adequate time for the investigation. He plans to keep things moving. Mr. Palmer moved that a one-year extension from June 30, 1984 to June 30, 1985 be granted for this project, that Mr. Pomeroy is to supply a bond for the wells and that the project is to

proceed as quickly as possible. Mr. Rickard seconded the motion. Motion carried.

Mr. Doss advised he had a request from Paul Dowling of Dowling Petroleum in Midland, Texas for a six months' temporary abandonment of its #1-A State well south of Yuma. Mr. Bilby read a telegram addressed to him from Mr. Dowling which states:

"We formally request that the Dowling State #1-A well be placed on temporarily abandoned status for a 6-month period."

Mr. Doss stated since Paul Dowling had a business meeting in Dallas on the 24th and Sam Bakke, vice-president, was ill due to a flu epidemic in Midland, there was no representation from their firm at our meeting. An explanation of temporary abandonment was given by Mr. Doss who said that no work would have to be done in the six months' period unless the necessary funds were secured. The well is shut in and casing was run to 5,006', total depth. No log has been filed as it is not required until completion of the well. Dowling is required to file logs within 30 days from the date of the Commission's letter. Mr. Doss suggested to honor the temporary-abandonment request. Dr. Nations said the other option would be to plug and abandon the well right away, but there would be no benefit from their end and no contamination is involved. Mr. Doss stated if the well is abandoned, an application will have to be made to re-enter the well. Dr. Nations moved to grant the request to temporarily abandon the Dowling well for six months. Mr. Palmer seconded the motion. The motion carried.

Mr. Doss reviewed his activity report. He advised that the Commission was undergoing an audit by the Auditor General's office and also the sunset review. Mr. Bilby was recently interviewed and the remaining commissioners will be contacted. The audit should be completed by the first of September. \*A lump sum of \$138,000.00 for the fiscal year 1984 - 1985 has been recommended by the Executive Budget office and the Joint Legislative Budget Committee. An additional request of \$1,000.00 was made for printing costs, but approval has not been received from the subcommittees involved.

An explanation was given by Mr. Doss of Shell Oil Company's takeover of state acreage formerly belonging to Phillips Petroleum. Phillips drilled eight wells and the majority ended in granite. Shell's interest is in the counties of Mohave,

\* NEW PARAGRAPH

Graham, Cochise, northwestern Maricopa, northern Yuma and southern La Paz. Dr. Nations stated that the Tombstone well proved a thrust fault. It is a matter of interpretation of Shell's taking over some of Phillips' acreage. Leasing itself is expensive. Rentals are \$1.00 an acre. In Cochise and Yuma Counties, acreage has gone to \$5.00 - \$7.50 an acre for private lands.

Mr. Ybarra, Enforcement Director, was in Apache County witnessing the second plugging of a well by Amerada Hess Corporation. While the plan was approved by the BLM and the BIA for Amerada Hess to initially plug the well, after the rig was removed, the ~~Indians~~ decided to plug and cement two more zones. It was necessary for Mr. Ybarra to attend the second plugging.

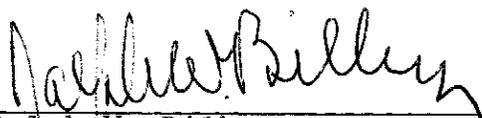
Messrs. Doss and Ybarra witnessed the location of Redbird Oil Company on "The Island" in the Yuma area. Due to the changing of the channel of the Colorado River, state trust lands which were located in Arizona became in California. While the rig is on the location, it needed work done on it. Solid rust was inside the mud pump. In drilling the surface hole, the main drive shaft was broken on the rig. Joe Faull, the operator, is going to request temporary abandonment until all the problems are solved. A fence has been built around the site for protection.

Dr. Nations advised that he, Mr. Doss and Mr. Ybarra wrote reports on oil development in Arizona for the Four Corners Geological Society, and they will be given to the Commissioners when completed.

The next meeting is scheduled for Friday, April 20, in Phoenix.

The meeting adjourned at 10:57 a.m.

APPROVED

  
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Ralph W. Bilby  
Chairman

\* NAVAJO OFFICIALS

Guests in attendance were:

Ralph J. Pomeroy	Cam-Roy Research and Development Corp.
Neal Pomeroy	Cam-Roy Research and Development Corp.
Dr. Ellis Armstrong	Cam-Roy Research and Development Corp.
John Wactor	Attorney General's Office
Mark Jordan	State Land Department
Jack Nock	United Press International
Pat Krueger	Auditor General's Office
Cheryl Fruckter	Auditor General's Office
Walter Mattern	The Phoenix Gazette
Hector Villalobos	Bureau of Land Management
Jinette Karabees	