

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

Minutes of Meeting
October 25, 1985

Present:

Dr. J. Dale Nations, Vice-Chairman
Mr. Forrest R. Rickard, Member
Mr. James E. Warne, Jr., Member
Mrs. Jan C. Wilt, Member

The regular Commission Meeting of October 25, 1985 was called to order at 9:38 A.M. by Dr. J. Dale Nations, Vice-Chairman, since Mr. Ralph W. Bilby, the former Chairman, recently resigned.

The minutes of the meeting of August 16, 1985 were corrected to read on Page 2 for approximately 800,000 acres in Arizona. Mr. Warne moved for acceptance of the minutes and the Executive Session's minutes, and this was seconded by Mr. Rickard. Motion carried.

In regards to discussion about the budget, Dr. Nations made mention that we are still operating without out-of-state travel funds for the key staff members. Mr. Ybarra, the acting Executive Director, remarked that you must have support from the right people when competing for such limited funds. Dr. Nations moved that in the next budget for 1987-1988 a request be made of \$2,000.00 travel expenses for the Executive Director and the Enforcement Director to attend out-of-state professional meetings. Mr. Warne seconded the motion which carried. Mrs. Wilt suggested getting a personal computer for the office to be considered in the next budget for publications and the monthly production reports. Mr. Rickard recommended that we continue to seek funding for the Geologist II position even if it isn't approved in the current budget request. Dr. Nations stated since we are funded for six Commission meetings that we continue to meet on a regular schedule of every two months. Mr. Rickard moved to adopt the budget as presented and Mrs. Wilt seconded this motion. Motion carried.

Mr. Ybarra, acting Executive Director, gave his report on the well operations. This included the status of surface clean-up

operations of the Dowling well, the Monsanto hearing and the alleged illegal well by Southwest Salt Company near Luke Air Base. Monsanto was very agreeable to the hearing. A letter was sent to the trustee of the bankruptcy estate for Dowling Petroleum, Inc. to which he replied that Redbird Oil Co. had agreed to plug the well and restore the drill site as a condition to be given permission to production test the well. Some tubing was left there. The junk tubing was removed by the water well drilling company because they had stored the old rig that Redbird had on the other location, but were never paid for it. So they took the tubing for nonpayment. The estimated cost is \$5,000.00 for the restoration and the bonding company has been notified of this. Mr. Cy Young of the State Land Department commented that he is waiting for an estimate from Mr. Maxwell, the surface owner, regarding restoring of the Dowling property. Mr. Ybarra discussed the Southwest Salt Company's well No. 3 which is a Class III well under the State Health Department. We have charge of all Class II wells - oil and gas wells and storage and Class V geothermal injection wells. Approval by EPA was just granted to Southwest to operate three Class III wells. The No. 3 well is the only active well in this operation.

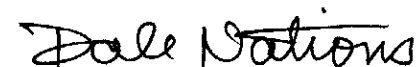
Mr. Ybarra reported on his attendance at the hearing on September 16, 1985 to merge five agencies including the Oil and Gas Conservation Commission into one agency. He was grateful for Mr. Warne's presence and comments at the hearing. Dr. Nations stated that a copy of Mr. Ybarra's transcript of his remarks of the hearing was on record and a copy of the draft of the merger was available. An analysis for this proposed action will be forthcoming. Dr. Nations stated that each member should have a complete copy of the legislative report on the combining of the five agencies and discuss this as an agenda item for the November 15, 1985 meeting. Dr. Nations also mentioned to have a representative from the legislature brief the Commission on this subject.

Dr. Nations made an inquiry about the Amoco drilling prospect in the Coconino Plateau area and the Baca Basin to which Mr. Ybarra replied that he had not received any recent reports. Mr. John Haas of the Bureau of Land Management stated that the Forest Service was to complete a Resource Management Plan for both areas. The Amoco Plan is to be completed sometime in 1986. Mr. Ybarra is to find out our main contact with the Forest Service in order that the Commission may have an active participation. Mr. Haas advised that the BLM had doubled the size on the geothermal lease in order to control

and provide an overall development of the geothermal basin for a larger area.

Mr. Rickard moved that the meeting be adjourned at 10:30 a.m. in order to begin the Hearing Case No. 58 for Monsanto Oil Company. A seconded was given by Mrs. Wilt. Motion carried.

APPROVED



Dr. J. Dale Nations
Vice-Chairman

Guests in attendance:

Liz Bobotek

Joseph Clifford

John Haas

Bill Wellendorf

Cy Young

Joint Legislative

Budget Committee

Attorney General's Office

Bureau of Land Management

Geological consultant

State Land Department