

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

Minutes of Meeting  
November 15, 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 November 15, 1985 was called to order by Dr. J. Dale Nations, Vice-Chairman, at 10:00 A.M.

Mr. Warne moved that the minutes of the meeting of October 25, 1985 be adopted as presented with Mr. Rickard's seconding the motion. Motion carried.

Mr. Rickard requested that a copy of the synopsis of the Hearing Minutes of October 25, 1985 be given to the Commission members at the next meeting since the Minutes have not been distributed to the Commission members in the past, although they are available to the public if anyone wishes to review them. Joe Clifford of the Attorney General's office offered to help in constructing a better format or giving guidelines to us in preparing these types of minutes. A suggestion was also given that the tape recording could stand improvement.

Mr. Rudy Ybarra, Acting Executive Director, gave a report of the Bradco acquisition of the Dowling property. The insurance company is waiting for an estimate of the clean-up operations, and has also been in contact with the trustee of the estate in Midland hoping to recover some of their monies. Bradco plans to test some deeper intervals other than the ones tested by Redbird Oil Company. When Bradco plans to re-enter the Dowling well, they will obtain a permit and arrange for new bonding. Mr. Ybarra advised he attended the Water Law Seminar at ASU on October 26, 1985 which he felt was very helpful to him, and that he received a lot of good information from it.

A report on the Shields' operation was given by Mr. Ybarra regarding water entry problems in the first testing. Mr. Ybarra explained a diagram he prepared on the blackboard how this well was recemented and tested. A pump is now on the well pumping 100 barrels of water per day. Excellent equipment is being used on the well operations.

Mr. Ybarra then reported on receiving notices to abandon wells No. 1 and No. 2 of Southwest Salt Company. He also had a diagram on the blackboard which he explained in detail of proposed abandonment operations. In talking with the State Health Department, Mr. Ybarra was advised that they had received an anonymous call that 7,000 gallons of crankcase oil were put in this well as an oil apron or protective pad which would prevent any action of the waters into the top of the cavity. In order to understand the true condition of the well before acting on the abandonment, a meeting is to be held on Tuesday, November 19, 1985, with company representatives from Chicago and possibly EPA personnel.

At 10:35 A.M., Mr. Rickard moved that the Commission go into Executive Session for the purpose of selecting an Executive Director. Mr. Warne seconded the motion. Motion carried.

At 11:15 A.M., Mr. Rickard moved to return to the regular session of the Commission meeting. Mr. Warne seconded the motion, which carried.

A motion was made by Mrs. Wilt and seconded by Mr. Rickard to have the Executive Director be the main representative to attend the Water Quality Control Council meetings with Mr. Warne being the alternate representative. Motion carried.

A discussion was held on the selection of a Chairman and Vice-Chairman of the Commission. Mrs. Wilt moved that a Chairman and Vice-Chairman be elected at the first meeting of each even year beginning in 1986. Mr. Warne seconded the motion. Motion carried.

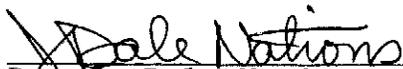
Introduction was made of Senator Juanita Harelson, Chairman of the Joint Committee of House and Senate Sub-Committee of Appropriations and the Natural Resources Committee Chairman, who gave a briefing of the proposed bill for combining of the natural resources' agencies. This is only a consideration in trying to get better performance from these various

agencies, and also to ease the burden of the smaller agencies at budget time. Mr. Warne stated he did not feel that the University of Arizona should be a regulatory agency. He also felt that personnel doing the same function for these different groups would not work since the mentalities are different, the way they react to problems is different and the response is different in a regulatory type business. Mrs. Wilt commented on the Bureau of Geology and Mineral Technology and its affiliation with the U of A, that when the Dean of the College required the Bureau's assistance, it was necessary that they stop their own work in order to be available to help the Dean\*. Mrs. Harelson remarked that Mines and Minerals performs services on a free basis that would not be acceptable to the State's thinking. Mrs. Wilt stated that small mines were encouraged as they would be a source of tax revenue for the State. Dr. Nations felt that a data base should be provided by the agencies without a fee, and that ~~a geological survey should be separate from the U of A.~~ <sup>THE STATUS OF THE</sup> ~~survey should be separate from~~ <sup>WITHIN THE U OF A SHOULD BE RAISED.</sup> Mrs. Harelson said she is not impressed with the State Mine Inspector. Arizona is the only state in the Union which has an elected mine inspector. She feels that a mining engineer should be able to bring a lot more credibility to that position. Mr. Warne inquired if consideration had been made to bring people in from the private sector to help in these decisions. Mrs. Harelson said the problem is getting people together and this must be done by January to decide if any changes are to be made. By the first of December, budgets are to be heard. She stated that it was not the intent to rattle any of the involved agencies to which Mr. Rickard replied that he didn't understand why they wanted to mix regulatory agencies and informational agencies. Mrs. Harelson stated that the informational agencies claim they are regulatory too. When Mrs. Wilt commented on any help we may give to Mrs. Harelson, it was suggested to Mrs. Wilt that we contact Mrs. Steffey to meet in further discussion. At 11:55 A.M. as Mrs. Harelson was leaving, she told the Commission not to feel threatened. Mr. Rickard requested that the Commission have more input regarding the situation.

The next regular Commission meeting was scheduled for Friday, January 17, 1986.

Mr. Rickard moved to adjourn the regular meeting at 11:58 A.M. A second was given by Mr. Warne. Motion carried.

APPROVED

  
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Dr. J. Dale Nations

Vice-Chairman

\* WHEN SHE WORKED THERE IN 1970.

Guests in attendance:

Joseph Clifford	Attorney General's Office
John Haas	Bureau of Land Management
Cy Young	State Land Department

#### EXECUTIVE SESSION

The Executive Session of the Oil and Gas Conservation Commission was called to order at 10:35 A.M. on November 15, 1985 by Vice-Chairman, Dr. J. Dale Nations, for the purpose of selecting an Executive Director.

Ruth Buckner from State Personnel was again present to give her report on the available candidates. Mrs. Wilt also had put a summary together for further analysis by the Commission. Dr. Nations stated he was not ready to make a decision today, but suggested making an elimination of people who are not qualified for the position. Mrs. Wilt said she would like more information from some of these candidates who are in final consideration relating to dealing with the legislature. The members then reviewed the applications and narrowed the list to 12 candidates.

At 12:12 P.M., the meeting again resumed in Executive Session.

After reviewing the applications, a decision was made to review the remaining 12 individually and rank them one through 12. Mrs. Buckner advised that State Personnel would fund the transportation for two applicants with a possibility that with less expensive air fares from Southwest Airlines more people could be interviewed from out of state. Another possibility would be to share the expense of the transportation with the applicants.

The next Executive Session was scheduled for Friday, November 22, 1985, at 10:00 A.M. for the purpose of finalizing the applicants for interviewing.

At 12:57 P.M., Mr. Rickard moved to adjourn the Executive Session. Mrs. Wilt seconded the motion. Motion carried.