

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

Minutes of Meeting
May 16, 1986

Present:

Dr. J. Dale Nations, Chairman
Mr. Forrest R. Rickard, Vice-Chairman
Mrs. Mary Ann Niccoli, Member
Mr. James F. Warne, Jr., Member
Mrs. Jan C. Wilt, Member
Dr. Daniel J. Brennan, Executive Director
Mr. Rudy A. Ybarra, Enforcement Director

The regular Commission Meeting of May 16, 1986 was called to order by Dr. J. Dale Nations, Chairman, at 10:00 A.M.

APPROVAL OF MINUTES FOR REGULAR MEETING OF MARCH 14, 1986

A motion was made by Mr. Warne and seconded by Mr. Rickard:

THAT THE MINUTES OF THE REGULAR MEETING OF
MARCH 14, 1986 BE APPROVED AS PRESENTED.

Motion carried unanimously.

REPORT OF EXECUTIVE DIRECTOR

Dr. Daniel Brennan, the Executive Director, reviewed his Activity Report previously sent to the Commissioners and made a part of these minutes.

In addition to his written report, he commented that the Water Control Bill had been passed into law. This law created a Department of Environmental Quality which will inherit the job of taking care of the water and pesticides from the Department of Health Services in a year's time. Title 49, the Environment, is new in the Arizona State Statutes as a result of this Law.

Dr. Brennan advised that next year's budget will be a line-item budget instead of lump sum. Dr. Brennan is in the process of replacing our copier with one of advanced features. He expressed the need for an IBM compatible computer for the office. Ms. Wilt moved and Mr. Rickard seconded:

THAT DR. BRENNAN INVESTIGATE THE COMPUTERS AND BUY
AS MUCH OF A COMPUTER SYSTEM AS POSSIBLE WITH OUR
AVAILABLE FUNDS.

Motion carried unanimously.

Dr. Brennan advised that it will be necessary for the Commission's office to be moved again, possibly by June 1, 1986.

Dr. Brennan reported receiving a call from Geothermal Kinetics in California saying that they own two geothermal wells in Chandler, AZ., and wanted to know how long they had to plug them, as they are planning to sell them. No further information was developed from this conversation.

Dr. Brennan stated that on Monday, May 19, 1986, he, Mr. Ybarra and Mr. John Haas of the Bureau of Land Management are going to check several gas wells in the Black Rock Field in northeastern Arizona which may need plugging. Mr. Haas commented that he understood that the Indians were going to take over the wells and that they could get another operator. American Fuels was the original operator. The well owners now are the Navajos. There is a \$25,000 cash bond on deposit.

REPORT OF ENFORCEMENT DIRECTOR

Mr. Ybarra, the Enforcement Director, reviewed his Activity Report previously sent to the Commissioners and made a part of these minutes.

CONSIDERATION OF NEED FOR REVISION OF LEGISLATION AND OF THE COMMISSION'S RULES

Dr. Brennan explained since the Commission may only deal with Federal agencies regarding the Rules and Regulations, a need for an amendment for AND/OR STATE AGENCIES to be involved is necessary. He will discuss this with Mr. Joe Clifford, our legal counsel, from the Attorney General's office, as well as other matters including the plugging of seismic shot holes. Mr. Rickard suggested researching the topic of the seismic shot holes as he believes this was handled by legislation about a year ago. A motion was made by Mr. Warne and seconded by Mr. Rickard:

THAT DR. BRENNAN REVIEW THE RULES AND REGULATIONS
AND MAKE RECOMMENDATIONS TO THE COMMISSION FOR
CHANGES.

Motion carried unanimously.

REVIEW OF COMMISSION'S GOALS

Dr. Brennan discussed the review of goals stated at the March meeting, and if there were new ones to be considered, he would appreciate that information. Dr. Nations mentioned acquiring a computer program could be referred to as a goal. Mr. Ybarra explained his map and data sheet update project, and plans for a year-end completion. His inspection of wells on the Indian Reservation is another contemplated goal.

PROPOSAL TO SEND EXECUTIVE DIRECTOR TO ANNUAL MEETING OF AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS

Ms. Wilt moved and Mr. Rickard seconded:

THAT DR. BRENNAN BE AUTHORIZED TO ATTEND THE ANNUAL AAPG MEETING IN ATLANTA, GEORGIA IN JUNE 1986.

Motion carried unanimously.

Dr. Brennan plans to take our revised Publication List as a handout to the attendees at the meeting.

A discussion was held on the AGS' and the Bureau of Geology and Mineral Technology's sharing a booth at the annual GSA Meeting in October 1987. A suggestion was made to have our publications there. Dr. Brennan commented that he is the Field Trip Transportation Coordinator (FTCC) for this meeting. He will hire the busses for the planned 40 field trips.

Dr. Nations inquired about future funds necessary for out-of-state travel for the Executive Director and Enforcement Director in the budget of '87 - '88 for professional obligations.

Mr. Ybarra advised he is planning to attend a Federal Bureau of Land Management Conference on Oil and Gas for Industry and Government with John Haas of the Bureau of Land Management in Albuquerque, NM on May 22 and 23, 1986.

CALL TO THE PUBLIC

Dr. Larry Fellows, state geologist, commented on the defeat of HB 2460 to separate the Geological Survey Branch from the University of Arizona and to have the governor appoint the state geologist.

Mr. Haas reported that the Secretary of Interior made a decision that stripper wells could be in a shut-in status and still retain their lease. They will pay a minimum royalty or rental of \$1.00 per acre.

SETTING OF NEXT MEETING DATE

July 18, 1986 was scheduled for the next Commission Meeting with the place to be announced.

The Commission recessed to go into Executive Session and did not convene in Regular Session after that.

APPROVED

Dale Nations
Dr. J. Dale Nations
Chairman

Guests in attendance:

Joe Clifford
Dr. Larry Fellows

John Haas
Barbara Sparman

Attorney General's Office
Bureau of Geology and
Mineral Technology
Bureau of Land Management
State Personnel