

OIL AND GAS CONSERVATION COMMISSION  
3110 North 19th Avenue, Suite 190  
Phoenix, Arizona 85015

Minutes of Meeting  
September 19, 1986

Present:

Dr. J. Dale Nations, Chairman  
Mr. Forrest R. Rickard, Vice-Chairman  
Mrs. Jan C. Wilt, Member  
Dr. Daniel J. Brennan, Executive Director  
Mr. Rudy A. Ybarra, Enforcement Director

The regular Commission Meeting of September 19, 1986 was called to order by Dr. J. Dale Nations, Chairman, at 10:10 A.M. at its new location.

APPROVAL OF MINUTES FOR REGULAR MEETING OF JULY 18, 1986

A motion was made by Mr. Rickard and seconded by Mrs. Wilt:

THAT THE MINUTES OF THE REGULAR MEETING OF  
JULY 18, 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. Dr. Brennan distributed an article from THE ARIZONA REPUBLIC telling of Contender Oil Company being formed in the Yuma area by Michael Bradshaw of BRADCO, and of contemplated drilling on the Cocopah Indian Reservation. Dr. Brennan and Mr. Ybarra are to have a meeting next week with Mr. Bradshaw. A request for a permit for Shields Exploration Company has been received.

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. He also reported that due to a lack of funding, it was necessary for him to cancel the geothermal trip to Baja. He reported that Jay Shields will drill a Mississippian/Devonian test at his new well location, and that he is to modify his drilling program.

DISCUSSION OF POSSIBLE RULE CHANGES

Since Dr. Brennan was not able to arrange for a meeting with Joe Clifford, legal counsel, from the Attorney General's Office to discuss this situation, no action was taken on this subject.

Dr. Brennan brought to the attention of the Commission that Dr. James R. Brathovdc has been drilling for geothermal information without a permit. A letter has been drafted to be sent to him to submit complete records of the wells which have been drilled. This draft will be forwarded to Joe Clifford for his review. There is a possibility that a hearing may be necessary. If the wells have not been plugged, it will be necessary that this be done. Mr. Ybarra advised that according to Mr. Girard of the Forest Service there are three wells to be drilled and one already has been.

Cy Young, of the State Land Department, explained that Dr. Brathovdc applied for a noncompetitive geothermal lease, but the state statutes did not have a provision for this kind of lease. While new statutes were written and referred to the Attorney General's Office for an opinion, it was decided not to make a change in them.

Dr. Nations requested for the next agenda preparation, the subject of the Commission's reviewing of the annual budget be listed, and Dr. Brennan will check the statutes for this information.

CALL TO THE PUBLIC

John Haas of the Bureau of Land Management commented that Medallion Oil Co. does have a permit for a second well. Mr. Ybarra reported that Medallion has about 150,000 acres under lease.

Cy Young remarked that Senator Bumpers of Arkansas has introduced legislation whereby leasing of federal lands would be changed to a system requiring that all acreage be put up for bid with a \$35.00 per-acre minimum. If any tract is not leased, then it could be filed on for \$1.00 per acre on a noncompetitive basis. The Commissioners felt this proposal would have a negative impact in Arizona, if enacted.

It was agreed by all the Commissioners present that the next Commission Meeting will be in Phoenix on November 21, 1986.

Mr. Rickard moved and Mrs. Wilt seconded:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 11:11 A.M.

APPROVED

Dale Nations  
Dr. J. Dale Nations  
Chairman

Guests in attendance:

Dr. Larry Fellows

John Haas

Cy Young

Bureau of Geology and  
Mineral Technology  
Bureau of Land Management  
State Land Department