

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

Minutes of Meeting
February 20, 1987

Present:

Dr. J. Dale Nations, Chairman
Mr. Forrest R. Rickard, Vice-Chairman
Mrs. Mary Ann Niccoli, Member
Mr. James E. 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 February 20, 1987 was called to order by Dr. J. Dale Nations, Chairman, at 10:00 A.M. in the Commission's office.

Dr. Nations commented on his meeting with Sam Steiger, Special Assistant to Governor Mecham, prior to the Commission's meeting and that he had a very favorable review with him regarding the Commission's standing.

APPROVAL OF MINUTES OF MEETING OF NOVEMBER 21, 1986

Motions were made by Mr. Rickard and seconded by Mrs. Wilt:

THAT THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 21, 1986 BE APPROVED AS PRESENTED AND THAT THE MINUTES OF THE EXECUTIVE SESSION OF NOVEMBER 21, 1986 BE APPROVED AS PRESENTED.

Motions 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. He reported on making available to the public a 1972 geophysical study of the Holbrook area which will be added to our publications list at a charge of \$5.00 per copy. Dr. Brennan also developed an electric log cross section which will be available as an Open File Report at a charge of \$4.00. He reported the refinery in northern Arizona is now filing its required reports.

REPORT OF ENFORCEMENT SECTION

Mr. R. A. Ybarra, Enforcement Director, reviewed his Activity

Report previously sent to the Commissioners and made a part of these minutes. He advised that Combined Drilling Ventures drilled to 3,296'. It is to be turned over to the land owner to be used as a water well.

CONSIDERATION OF FY 1988 BUDGET REQUEST

The Governor's recommendation was \$182,800; the JLBC recommended \$186,800 and our request was \$197,700. Dr. Brennan is planning to request additional funds at the hearing next week of the Joint Senate-House Appropriations Committee. Dr. Nations requested Dr. Brennan to prepare a letter to the Interstate Oil Compact Commission regarding our payment of \$2,000 for the yearly dues as this expense may be funded by the Governor's office.

Mr. Ybarra reported that the Brathovde well is being taken over by the Forest Service to be used as a water well. Samples have been received from Dr. Brathovde on this well from the Verde formation. This well was never permitted nor was a performance bond secured.

CONSIDERATION IN FY 1987 BUDGET CUT

Dr. Brennan reported that the legislature cut our budget \$13,200, which was obtained mainly from vacancy savings.

DISCUSSION OF RADIATION LOGGING PROCEDURES

Dr. Brennan advised he had written to the Arizona Radiation Regulatory Agency suggesting a reduction in the license fee to operate radioactive well-logging tools in Arizona. At present, the fee is \$1150 a year, and it was recommended to charge \$100 for logging of one well; \$200 for two wells; \$300 for three wells and \$500 for any number of wells during the 180-day period. The fee for an annual license was suggested at \$500.

CALL TO THE PUBLIC

Cy Young of the State Land Department reported a reduction of 700,000 acres of leases since the first of July 1986. He indicated it would be of help if the leasing rates were not established by statutes.

John Haas of the Bureau of Land Management reported of issuing geophysical permits in the Yuma area in January 1987. He advised that his boss, Ray Brady, will be transferred to the Safford office as its district manager.

Dr. Larry Fellows advised of his attending a meeting with other geologists and Secretary of the Interior Hodell in October. He also discussed a trip to Prudhoe Bay and related to the wildlife in that area with the laying of the pipeline. He also explained that Senator Todd has re-introduced a bill to make the Geological Survey Branch an independent agency.

Mr. Rickard, Vice-Chairman, reported of Dr. Brennan's visit to Ajo to speak at the AIME group in January. Mr. Rickard suggested that Dr. Brennan relay his speech at a future Commission meeting as a refresher of the functions of the Oil and Gas Conservation Commission.

Dr. Nations stated that he expressed to Sam Steiger that it was the feeling of the Commissioners that they wished for Mr. Rickard to continue being a member of the Commission.

It was Dr. Nations' suggestion that the Commissioners be given copies of all legislation which establishes the Commission and of the Rules and Regulations and of a recent Publications List.

John Haas commented that he should be hearing from Shields Exploration Company if they are to go ahead with their well or plug it.

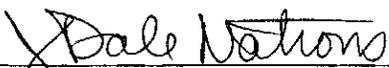
The next meeting was scheduled for Friday, May 15, 1987.

Mr. Rickard moved and Mrs. Wilt seconded:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 11:25 A.M.

APPROVED



Dr. Dale Nations
Chairman

Guests in attendance:

Dr. Larry Fellows	Bureau of Geology and Mineral Technology
John Haas	Bureau of Land Management
Cy Young	State Land Department