

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

Minutes of Meeting
August 21, 1987

Present:

Dr. J. Dale Nations, Chairman
Mr. Archie Roy Bennett, Member
Mrs. Mary Ann Niccoli, Member
Mrs. Jan C. Wilt, Member
Dr. Daniel J. Brennan, Executive Director
Mr. Rudy A. Ybarra, Enforcement Director

The regular Commission Meeting of August 21, 1987 was called to order by Dr. J. Dale Nations, Chairman, at 10:02 A.M. in the Commission's office.

APPROVAL OF MINUTES OF MEETING OF MAY 15, 1987

A motion was made by Mrs. Wilt and seconded by Mrs. Niccoli:

THAT THE MINUTES OF THE REGULAR MEETING OF MAY
15, 1987 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. He reported that Petroleum Technical Services spudded its first well this week in the Yuma area. Dr. Brennan advised that Gordon LeBlanc, an oil operator in Louisiana, plans to drill several wells this coming year in the Four Corners area. He suggested getting a dedicated word processor instead of another typewriter. The estimated purchase price would be less than \$1,000.00. Dr. Brennan explained that Arizona Public Service is to donate well records of oil and gas wells to the Commission. He will write to them advising of their worth to the Commission. Dr. Brennan gave an explanation of injection wells noted in his Activity Report.

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.

Mr. Ybarra reviewed a memo of his regarding testing of Cal Gas' wells. They are to drill three 400' holes and set 5-1/2" casing; they are getting vacuum pumps and drilling 22 shallow holes throughout the property and will monitor them. Dr. Brennan and Mr. Ybarra are to meet with Cal Gas on September 3, 1987.

Mr. Ybarra advised that testing of BOP equipment was done this week in Yuma by Petroleum Technical Services. The operator is drilling ahead. Mr. Ybarra displayed a new cover for the Well Location Map Four, and advised that the maps have been brought up-to-date and are at the printer for finalizing.

REQUEST FOR EXTENSION OF TEMPORARY ABANDONMENT PERIOD BY
CAM-ROY RESEARCH CORPORATION

Mr. Ralph Pomeroy requested another extension of time due to problems of title of the property in Higley regarding the geothermal wells. Mr. Rex Wisheart, formerly with Prudential-Bache, and now associated with Mr. Pomeroy, explained that he had been served with a quiet title action. There is a possibility of getting permission from the court to examine the condition of the wells as they might have to be plugged. Pomeroy has funds available for this purpose if necessary. Mr. John Feegan, of the Attorney General's office, will get further information to assist the Commission in this endeavor. Mr. Pomeroy advised that financing is in place, and adjacent property is being acquired. Mr. Ybarra explained of possible corrosion problems if the wells remain unplugged.

Following this discussion, Mrs. Wilt moved and Mr. Bennett seconded:

THAT THE EXTENSION OF THE TEMPORARY ABANDONMENT
BE FOR SIX MONTHS WITH A REQUEST THAT THE COURT
ALLOW TESTING BEFORE WE CONSIDER FURTHER EXTENSION
OF THE TEMPORARY ABANDONMENT.

Motion carried unanimously. Dr. Brennan is to write to a judge or the court stating our concerns for the testing.

CONSIDERATION OF FY '89 BUDGET REQUEST

After the review of the budget request for 1989 by Dr. Brennan, it was suggested that an additional \$500.00 be listed to buy technical manuals. The total request is \$195,300.00 for the '89 budget.

Dr. Nations suggested that Dr. Brennan contact the governor's office regarding the out-of-state travel representative. Dr. Nations advised that an invitation was extended to the IOCC to meet in December 1988 in Arizona.

A motion was made by Mrs. Niccoli and seconded by Mr. Bennett:

THAT THE BUDGET BE APPROVED AS AMENDED.

Motion carried unanimously.

Dr. Nations encouraged Dr. Brennan to prepare a paper for the next annual AAPG Meeting in San Antonio.

REQUEST FOR APPROVAL OF EFFORT TO AUTHORIZE A PUBLICATION
REVOLVING FUND

Following a discussion to establish a publication revolving fund, a motion was made by Mrs. Wilt and seconded by Mrs. Niccoli:

THAT A REQUEST BE MADE TO THE LEGISLATURE FOR
APPROVAL OF A REVOLVING PUBLICATION FUND.

Motion carried unanimously.

DISCUSSION OF REVIEW AND REVISION OF RULES

Dr. Brennan discussed the revision of the Rules of the Commission. Approximately 15 Rules are to be changed. There is a mandate to do this every five years.

CALL TO THE PUBLIC

Dr. Fellows, state geologist, of the Geological Survey Branch in Tucson advised this is the last year to be a part of the University of Arizona. It will then become an official state agency.

The next meeting is tentatively set for October 15 or 16 and possibly in Yuma depending on the progress of the well drilling of Petroleum Technical Services. Mr. Ybarra will arrange a trip to the Cerro Prieto geothermal plant which is 45 km south of Mexicali.

At the request of Dr. Nations, Dr. Brennan will check into the election of a chairman for the Commission.

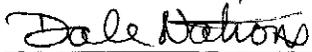
ADJOURNMENT

A motion was made by Mrs. Wilt and seconded by Mrs. Niccoli:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 11:46 A.M.

APPROVED



Dr. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE:

John Feegan
Larry Fellows

Ralph Pomeroy

Rex Wisehart

Cyril Young

Attorney General's Office
Bureau of Geology and
Mineral Technology
Cam-Roy Research and
Development Corporation
Cam-Roy Research and
Development Corporation
State Land Department