

OIL AND GAS CONSERVATION COMMISSION
5150 North 16th Street, Suite B-141
Phoenix, Arizona 85016

Minutes of Meeting
September 15, 1989

Present:

Dr. J. Dale Nations, Chairman
Mrs. Jan C. Wilt, Vice-Chairman
Mr. J.E. Warne, Jr., Member
Dr. Daniel J. Brennan, Executive Director
Mr. Steven L. Rauzi, Oil and Gas Specialist

The regular Commission Meeting of September 15, 1989 was called to order by Dr. J. Dale Nations, Chairman, at 10:00 A.M. in the Commission's office.

APPROVAL OF MINUTES OF MEETING AND OF THE EXECUTIVE SESSION OF JULY 21, 1989

Mr. Warne moved, seconded by Mrs. Wilt:

THAT THE MINUTES OF THE MEETING AND OF THE EXECUTIVE
SESSION OF JULY 21, 1989 BE ACCEPTED AS PRESENTED.

Motion carried unanimously.

HEARING ON CHUSKA ENERGY: REQUEST FOR 160-ACRE SPACING FOR GAS, BLACK
ROCK FIELD

At 10:05 A.M., the hearing regarding Chuska Energy Company concerning 160-acre spacing for gas in the Black Rock Field started. Minutes for that hearing are presented separately.

REPORT OF EXECUTIVE DIRECTOR

The Activity Report of Dr. Brennan was sent to the Commissioners, and has been made a part of these minutes. He reported on the recent move to our new location. A budget request of \$192,600.00 was submitted for 1991. Dr. Brennan explained the request of reductions in the budget of 5% and 15% would involve eliminating personnel to obtain a vacancy savings.

Mrs. Wilt moved, seconded by Mr. Warne:

THAT THE BUDGET FOR 1991 BE ACCEPTED.

Motion carried unanimously.

Dr. Brennan advised that Chuska Energy plans to drill five more wells. He stated that he has had calls from Dan Foster of Dallas and Amarillo concerning helium. The price for helium has increased considerably. The 1989 legislature passed a law effective September 15, 1989, which will permit the making of agreements with other agencies and with Indian Tribes.

REPORT OF OIL & GAS SPECIALIST

The Activity Report of Mr. Rauzi was sent to the Commissioners, and has been made a part of these minutes. Mr. Rauzi reported that no one appeared to bid at the recent BLM lease sale. He reported that his map project is completed, and that he is splicing the negatives together. Considerable interest has been generated by this map.

Dr. Brennan mentioned that Jay Shields plans to start drilling a Precambrian test in mid-October.

CAM-ROY RESEARCH CORPORATION VS. OIL AND GAS COMMISSION

The Commission's attorney, Carol Lewin, advised that Cam-Roy's lawsuit against the Commission has been dismissed.

PLUGGING OF GEOTHERMAL WELLS, CHANDLER AREA

Ms. Lewin informed the Commission that the landowners of the Power Ranches are suing the Cam-Roy Research Corporation to plug the wells, and are waiting for the court to rule. Dr. Brennan commented on a recent visit by Mr. Pomeroy who said he would not plug the wells. He says he owns the minerals in the wells. After considerable discussion, it was agreed that a letter should be sent to the landowners to let them know of the Commission's interest in having the wells plugged.

INTERSTATE OIL COMPACT COMMISSION MEETING IN ARIZONA

Dr. Nations reported that there was no further information on this meeting since the Commissioners met on July 21, 1989. He will pursue this for the next meeting.

MOTION TO AUTHORIZE EXECUTIVE DIRECTOR TO ACT FOR THE COMMISSION

At the suggestion of Dr. Nations, this subject was tabled until the next meeting.

CALL TO THE PUBLIC

John Haas of the Bureau of Land Management advised that he notified the BLM Office in New Mexico of the hearing of Chuska Energy Company. He commented that there was not much activity, and that no one attended the recent lease sale.

ANNOUNCEMENTS

Dr. Nations told of a conversation with Sandra Junck, Special Assistant to Governor Mofford, regarding the replacement of a Commissioner who had terminated. An effort will be made to get some nominees for this position.

Dr. Brennan reported that he has been invited to give a talk at the Sun City Petroleum Club next month.

The next meeting was scheduled for November 17, 1989.

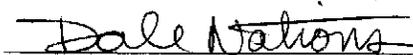
ADJOURNMENT

Mr. Warne moved, seconded by Mrs. Wilt:

THAT THE MEETING BE ADJOURNED.

Motion passed unanimously. Time of adjournment was 12:00 Noon.

APPROVED



Dr. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE:

John Haas
Carol Lewin

Bureau of Land Management
Attorney General's Office