

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

Minutes of Meeting  
February 15, 1991

Present:

Dr. J. Dale Nations, Chairman  
Mrs. Jan C. Wilt, Vice-Chairman  
Mrs. Barbara H. Murphy, Member  
Mr. J. E. Warne, Jr., Member  
Dr. Daniel J. Brennan, Executive Director

The regular Commission Meeting of February 15, 1991 was called to order by Dr. J. Dale Nations, Chairman, at 10:01 A.M. in Room B-141, 5150 North 16th Street, Phoenix, Arizona 85016.

APPROVAL OF MINUTES OF MEETING OF NOVEMBER 16, 1990

Mrs. Murphy moved, seconded by Mr. Warne:

THAT THE MINUTES OF THE MEETING OF NOVEMBER 16, 1990  
BE ACCEPTED AS PRESENTED.

Motion carried unanimously.

ELECTION OF OFFICERS

Mr. Warne moved, seconded by Mrs. Murphy:

THAT JAN C. WILT BE NOMINATED FOR CHAIRMAN FOR A TWO-  
YEAR PERIOD.

Motion carried unanimously.

Dr. Nations moved, seconded by Mrs. Wilt:

THAT JAMES E. WARNE BE NOMINATED FOR VICE-CHAIRMAN  
FOR A TWO-YEAR PERIOD.

Motion carried unanimously.

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 gave copies of a recent report compiled of the activities of the Commission, and plans to do this on a semi-annual basis. The JLBC did not recommend funding for this agency next year.

Dr. Brennan explained that Mr. Rauzi, the Oil and Gas Specialist, was conducting a Mechanical Integrity Test on an injection well operated by Merrion Oil Company and checking on a recent oil spill at Black Rock--the reason for his absence from the meeting.

Dr. Brennan has met with all the members of the Appropriations Subcommittees regarding our budget. He explained to them what we are doing and that there are five plays going on in the state. Interest has been created in the Precambrian due to Mr. Rauzi's recent report; re-entry of a well in Tombstone is proposed by an operator from Midland; an operator from Denver is interested in acreage in western Maricopa County; an operator from Billings, MT has requested that BLM put over 200,000 acres up for auction in the western part of the state; an operator from Tulsa wanted to know the rules for drilling in northwestern Arizona. A company out of Tulsa is working on an LPG storage project at Red Lake. Another company is exploring in Cochise County.

A set of underground injection rules has been sent to DEQ for review. Dr. Brennan wants to write rules on pits to reflect the 1986 environmental law, the Oil and Gas laws and Federal requirements. He would like an agreement with DEQ for us to permit pits under our rules.

Dr. Brennan requested that the Attorney General go to court to require plugging of the geothermal wells in the Chandler area.

He advised that an operator plugged three wells without notifying anyone in Teec Nos Pos last October. The wells may have to be re-entered for plugging. He is working with the BLM.

#### REPORT OF OIL AND GAS SPECIALIST

The Activity Report of Mr. Rauzi was sent to the Commissioners, and has been made a part of these minutes. Mr. Rauzi was not in attendance due to field inspections.

Dr. Brennan advised that 160 copies of Mr. Rauzi's Precambrian report have been distributed, and he continues working on the Wittman study.

#### PLUGGING OF GEOTHERMAL WELLS, CHANDLER AREA

Dr. Brennan referred this case to the Attorney General's office. Carol Lewin, our legal counsel, stated with the new attorney general coming into office, no action has been taken, and there will probably be a delay for a month.

#### DISCUSSION OF FY 92 BUDGET REQUEST

Dr. Brennan reported that two previously scheduled hearings were never held. Another is set for the House hearing on Tuesday, February 19, at 7:00 P.M.; the Senate hearing will be Friday, February 22, at 2:00 P.M. He asked the Commissioners to write letters to the Governor's office in behalf of the Commission. He reported several letters have been received in our behalf from various individuals and firms. Dr. Brennan outlined the enclosures he prepared for a packet given to various legislators to encourage them to retain the Commission.

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Dr. Nations recommended placing a copy of an article in the "Arizona Geological Society Digest" in the legislative packet, and that sequential numbering be used for the Oil and Gas Report.

Reference was made to Number 6 on the agenda by Dr. Nations. Mr. Saxman, representing Cam-Roy Research and Development Corporation, at the November 16, 1990 meeting stated that within a 90-day period they hoped to have more information on their project. Mr. Warne expressed concern of the condition of the wells, and that it is the responsibility of the Commission to take care of them. Mr. Pomeroy responded that the wells are monitored every year, and there is no reason to plug them from a danger standpoint. Mr. Pomeroy spoke in favor of continuing the Commission in its vital work. He referred to the Chandler-Higley Basin being worth 40 to 60 billion dollars in energy production, and these resources need to be developed.

PLUGGING OF WELL IN YUMA AREA

Dr. Brennan stated that a plan has been filed to plug Contender Oil Company's well by February 21, 1991. This case was previously referred to the Attorney General's office as a proposal had not been received.

CALL TO THE PUBLIC

No action.

ANNOUNCEMENTS

The next meeting is scheduled for April 19, 1991.

Dr. Nations stated he would like more information on a report involving the Higley Basin. Dr. Brennan will obtain this information.

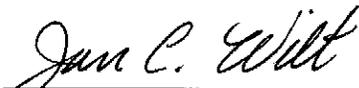
ADJOURNMENT

Dr. Nations moved, seconded by Mrs. Murphy:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 10:56 A.M.

APPROVED



Jan C. Wilt  
Chairman

GUESTS IN ATTENDANCE:

Carol Lewin  
R. J. Pomeroy and  
John Saxman

Attorney General's Office  
Cam-Roy Research and  
Development Corporation