

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

Minutes of Meeting
April 19, 1991

Present:

Mrs. Jan C. Wilt, Chairman
Mr. J. E. Warne, Jr., Vice-Chairman
Mr. A. R. Bennett, Member
Mrs. Barbara H. Murphy, Member
Dr. J. Dale Nations, Member
Dr. Daniel J. Brennan, Executive Director
Mr. S. L. Rauzi, Oil and Gas Specialist

The regular Commission Meeting of April 19, 1991 was called to order by Mrs. Jan C. Wilt, Chairman, at 10:05 A.M. in Room B-141, 5150 North 16th Street, Phoenix, Arizona 85016.

APPROVAL OF MINUTES OF MEETING OF FEBRUARY 15, 1991

Dr. Nations moved, seconded by Mrs. Murphy:

THAT THE MINUTES OF THE MEETING OF FEBRUARY 15, 1991
BE ACCEPTED AS PRESENTED.

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 reported receiving a call from an independent oil company in Denver inquiring about the seismic map he made of the Yuma area. They expressed interest in running about 150 miles of seismic in the Fortuna Basin. This area is on the west side of the Air Force Range. Mr. Haas, representing the Bureau of Land Management, stated that anything in the Barry Goldwater Range is closed to mineral entry. An application is to be filed through the Corps of Engineers to work with the Department of Defense.

Dr. Brennan advised he has an appointment in the afternoon with Rita Pearson, an executive assistant, in the Governor's office to discuss the continuing of this commission since funding for the agency is not planned for next year.

A request was made from a company in Tulsa for forms to apply for a drilling permit in the northwestern part of the state.

Dr. Brennan prepared a position paper advocating that the tentative moving of an employee and the files of the Commission to Tucson not be done. He suggested that the employee be housed with the museum people at the Shrine Auditorium under the jurisdiction of the Geological Survey in Tucson. Phoenix is a better location accesswise for doing business with operators. He also stated that it is necessary

to maintain the Commission as a policy-making body, and that the employee be kept under the Commission rather than the Geological Survey. The budget could be handled as a line item under the Geological Survey.

It was decided that Dr. Brennan would hold off sending his position paper to the Governor's office, until after his visit with Ms. Pearson, and the commissioners are requested to send their own letters to the attention of Rita Pearson.

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. He reported one of the hottest oil plays in the Rocky Mountain Region is occurring in Utah. Outside of Moab, a company in partnership with Exxon drilled a horizontal well which produced 11,000 barrels a day in a horizontal hole. Mr. Rauzi stated he received a call from a man in New York who is interested in getting potential fractured shale plays in Arizona. He informed him that the Chuar Group is a shaley type formation, and a copy of Mr. Rauzi's report was ordered by him.

Mr. Rauzi stated that Ken Hand did not get started on his pipeline. Activity is expected to start on the wells at Teec Nos Pos. The BLM has given them until May 1 or their approval has expired to plug and abandon them. There could be plugging and abandonment in the Black Rock Field.

"POWER RANCH" GEOTHERMAL WELLS SEC 5, T10S-R6E

Dr. Brennan stated that Mr. Saxman reported that there should be financing available within sixty days, and that negotiations are being made with the Power Ranch people.

RED LAKE PROJECT

No report

CONTENDER OIL 1 AMAN, SEC 5, T10S-R23W, YUMA COUNTY

Dr. Brennan advised that plugging is necessary, and has been referred to the Attorney General's office for action to enforce the law and the rules.

CALL TO THE PUBLIC

Effective May 3, 1991, Mary Catherine Barnes announced she would be taking Early Retirement from state service. She expressed her enjoyment in working with the Commission for almost nine years.

Mr. Haas reported an interest in the Strip near the Nevada border of about 212,000 acres. Offering for competitive sale has been delayed until the St. George or Arizona Strip completed their resource management plan. That plan was completed and sent for public review around February 1. Though some protest was received, a

Minutes of Meeting
April 19, 1991
Page 3

Record of Decision has been prepared on the plan. Hopefully, by early September the sale will occur; if not, then early December is contemplated.

Mr. Haas stated that recently permit applications were received in the Red Lake area. Over the coming years, \$500,000,000 is expected to be spent according to Dr. Brennan.

GEOHERMAL PROJECT NEAR NUTRIOSO

Dr. Brennan explained that a call was received from Ed Dougherty in Albuquerque stating that a well program was planned for a geothermal project near Nutrioso. This drilling is to be done with an oil overcharge the state received from oil companies for overcharges in the past. Mr. Dougherty is working with people at White Sands, and a hot dry rock project is expected. This means there will be little water to transfer the heat, and that a source of water will be required to make the project work.

ANNOUNCEMENTS

The next meeting was scheduled for May 31, 1991.

Dr. Nations said that he would make every effort in contacting the Governor's office in behalf of the Commission.

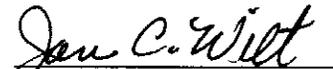
ADJOURNMENT

Dr. Nations moved, seconded by Mr. Bennett:

THAT THE MEETING BE ADJOURNED.

Motion carried unanimously. Time of adjournment was 11:08 A.M.

APPROVED


Jan C. Wilt
Chairman

GUESTS IN ATTENDANCE:

John Haas
Carol Lewin

Bureau of Land Management
Attorney General's Office