

OIL AND GAS CONSERVATION COMMISSION
845 North Park Avenue, #100
Tucson, Arizona 85719

Minutes of Meeting
January 20, 1995

Present:

Dr. J. Dale Nations, Chairman
Mrs. Lisa C. Worthington, Vice-Chair
Mr. James C. Lanshe, Member
Mr. Zed Veale, Member
Dr. Larry D. Fellows, State Geologist
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

The regular Commission Meeting of January 20, 1995, was called to order by Dr. J. Dale Nations, Chairman, at 10:00 a.m. in Room 500, State Capitol Tower, Phoenix, Arizona.

APPROVAL OF MINUTES OF MEETING OF OCTOBER 28, 1994

Ms. Worthington moved, seconded by Mr. Veale:

THAT THE MINUTES OF THE MEETING OF OCTOBER 28, 1994, BE
ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows advised that the budget was approved at the budget hearing on January 13, 1995, but that no money was appropriated for the IOGCC dues or travel. He reported that HB 2013 about plugging wells was approved at the House Natural Resource Committee meeting on January 17. He noted that a member of the Committee, Representative Allen, was familiar with oil and gas matters in Colorado and Wyoming. Dr. Fellows handed out identification cards to each of the Commissioners.

REPORT OF THE OIL AND GAS PROGRAM ADMINISTRATOR

The activity report of Mr. Rauzi was sent to the Commissioners and has been made a part of these minutes. Mr. Rauzi reported that even though testing continues on the Ridgeway well at St. Johns, they have not applied for any new wells. He reported that The Townsend Company, Abilene, Texas, continues to have interest in the western Holbrook basin area and had recently requested application forms. Mr. Rauzi also noted the continuing interest

in the San Simon area of southeastern Arizona and offered a brief discussion on the geology and potential of the two areas. Mr. Rauzi asked if Mr. Dulsky would check on the status of the rules the Commission had adopted subject to certification by the Attorney General in March 1993. Mr. Dulsky advised that he would follow up on this inquiry.

POLICY MANUAL

Dr. Fellows, noting the lack of a policy manual among most Commissions, suggested establishing a policy manual consisting of two general categories, the first to cover the general terms under which members are appointed including the expectations of Commission members, and the second to cover the specifics that relate to how the Commission chooses to conduct its business. In light of the potential of the Commission doing something on tax incentives, however, Dr. Fellows considered the policy manual to be a lower priority item at this time.

POLICY ON FEDERAL AND INDIAN LANDS

Mr. Rauzi advised that Mr. John Haas, Bureau of Land Management, was unable to attend today's meeting. The Commission agreed to table discussion on this item until it received the draft agreement covering wells drilled on federal and tribal lands from Mr. Haas.

GOALS, OBJECTIVES, AND EXPLORATION INCENTIVES

After discussing oil and gas potential in Arizona, incentives to encourage activity in the state, and the opportunity to meet with the Governor, the Commission requested Mr. Rauzi and Dr. Fellows to prepare an executive summary addressing the areas of potential and various incentive programs. The Commission suggested a one month time frame to receive the summary and set a target date of late March to meet with the Governor.

CALL TO THE PUBLIC

None.

ANNOUNCEMENTS

The next meeting was scheduled for 10 a.m. on March 17, 1995, at the Capitol Tower in Room 500.

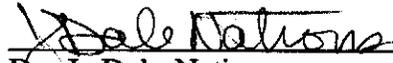
ADJOURNMENT

Mr. Lanshe moved, seconded by Mrs. Worthington:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:35 a.m.

APPROVED



Dr. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE:

Beryl I. Dulsky

Assistant Chief Council, Attorney General's Office