

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
March 14, 1997

Present:

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

The regular Commission Meeting of March 14, 1997, was called to order by Dr. J. Dale Nations, Chairman, at 10:00 a.m. in Room 400, State Capitol Tower, Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING AND EXECUTIVE SESSION OF JANUARY 10, 1997

Mr. Veale moved, seconded by Ms. Worthington:

THAT THE MINUTES OF THE MEETING AND EXECUTIVE SESSION
OF JANUARY 10, 1997, BE ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows mentioned the current CO₂ play near St. Johns and the possibility of holding a meeting in St. Johns. He reported that the fiscal years 1997-98 and 1998-99 budgets were approved but that IOGCC dues and travel were not approved. Dr. Fellows discussed the new FYI Series, which will include separate pages on oil and gas drilling and production and oil and gas potential in Arizona.

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 three new permits were issued to Ridgeway Arizona Oil Corporation and discussed its current drilling program to delineate the extent and potential volume of carbon dioxide in the St. Johns area. He passed out a map showing the location of the wells and discussed his own preliminary estimates based on data from the discovery well and conservative porosity estimates of 8 and 10%.

ORAL PROCEEDING TO ADOPT A.A.C. R12-7-104 AND R12-7-183 AS AMENDED

Dr. Nations opened the floor for comments and discussion on the proposed rulemaking. No oral comments were received.

Mr. Lanshe moved, seconded by Ms. Worthington:

THAT THE COMMISSION ADOPT THE FINAL RULEMAKING ON
A.A.C. R12-7-104 AND R12-7-183

Motion carried unanimously.

CALL TO THE PUBLIC

Mr. Paul Buff announced Mr. John Haas's retirement from the BLM on March 3. He reported that interest in leasing 300,000 acres of public land was received and that the next lease sale should be held soon. The last lease sale was in June 1995. Mr. Buff pointed out that lease rentals on public land are split 50-50 between the federal government and the state.

The Commission requested Mr. Steadman to look into how revenues generated on public lands that come back to the state are distributed and to look into the process by which revenues generated on State Trust land are earmarked to the School of Mines at the University of Arizona, which has undergone substantial changes in structure and function. The Commission thought that these funds might possibly be earmarked for field inspections and geologic investigations on State Trust land.

ANNOUNCEMENTS

Dr. Nations reported that he attended the recent IOGCC meeting in Las Vegas. He discussed the various committees and current direction and emphasis of the IOGCC.

The next meeting was scheduled for 8:00 a.m. on Friday, June 13, 1997, at St. Johns.

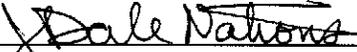
ADJOURNMENT

Ms. Worthington moved, seconded by Mr. Veale:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:45 a.m.

APPROVED



Dr. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE:

Marc T. Steadman Office of the Attorney General
Paul J. Buff Bureau of Land Management