

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
June 13, 1997

Present:

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

The regular Commission Meeting of June 13, 1997, was called to order by Dr. J. Dale Nations, Chairman, at 8:30 a.m. at the Pera Prairie Schooner facility, St. Johns, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 14, 1997

Ms. Worthington moved, seconded by Mr. Veale:

THAT THE MINUTES OF THE MEETING OF MARCH 14, 1997, BE
ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows described the Arizona Geological Survey and its relationship to the Oil and Gas Conservation Commission. He discussed the several prepared exhibits showing the general geology, land status, and location of Ridgeway Arizona Oil Corporation's wells in southern Apache County and noted that several informative brochures were available.

Mr. Wells addressed the audience and reported that the State Land Department was very interested in the potential development of carbon dioxide in the area. He discussed the revenues that are generated from State Trust Land and noted that a significant portion of the income goes into funding K-12 education.

REPORT OF THE OIL AND GAS PROGRAM ADMINISTRATOR

Mr. Rauzi reported that Ridgeway had finished its 11-well drilling program and was now testing the wells. He noted that no results had yet been filed with the Commission.

PRESENTATION BY DON RIGGS, RIDGEWAY ARIZONA OIL CORPORATION

Mr. Riggs presented a brief overview of the carbon dioxide (CO₂) industry and Ridgeway's CO₂ project before introducing Mr. Stephen Melzer, University of Texas of the Permian Basin. Mr. Melzer discussed the use of CO₂ to increase oil recovery in the Permian Basin and described its economic impact there. From this, he extrapolated the potential economic impact of CO₂ development in southern Apache County. He described the several source and potential source areas of CO₂ in North America in comparison to the CO₂-flood areas including the potential CO₂-flood areas in southern California.

Mr. John Richardson summarized the land status in the CO₂ project area. Mr. George Scott III summarized the geology of the project and described the cores and logs in one of the wells. He explained the use of hydraulic fracturing to improve production in wells. Mr. Walter Ruck summarized the funding of and cost of the project.

Mr. Riggs closed the presentation with a discussion of the infrastructure needed to produce and get the CO₂ to markets in southern California including construction and employment needs.

CALL TO THE PUBLIC

Questions and answers were included in the presentation by Ridgeway Arizona Oil Corp.

ANNOUNCEMENTS

None.

ADJOURNMENT

Ms. Worthington moved, seconded by Mr. Veale:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:15 a.m.

APPROVED


Dr. J. Dale Nations
Chairman