

OIL AND GAS CONSERVATION COMMISSION
416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
October 31, 1997

Present:

Ms. Lisa C. Worthington, Vice-Chair
Dr. Donald W. Clay, Member
Mr. James C. Lanshe, Member
Mr. J. Dennis Wells, State Land Commissioner
Dr. Larry D. Fellows, Director and State Geologist
Ms. Rose Ellen McDonnell, Administrative Services Officer
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

The regular Commission Meeting of October 31, 1997, was called to order by Ms. Lisa C. Worthington, Vice-Chair, at 10:10 a.m. in Room 400, State Capitol Tower, Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 13, 1997

Mr. Lanshe moved, seconded by Dr. Clay:

THAT THE MINUTES OF THE MEETING OF JUNE 13, 1997, BE ACCEPTED AS
PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows reported that the Arizona Geological Survey was in the second year of its biennial budget and that several new geological reports and maps had been completed.

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 Central Resources planned to drill a new well at the East Boundary Butte Field.

STATUS OF RIDGEWAY ARIZONA OIL CORPORATION'S WELLS

Mr. Rauzi reported on (1) the status of Ridgeway's wells with respect to R12-7-125, Temporary Abandonment; (2) Ridgeway's interpretation that gas analyses were not part of the testing required to be filed with the commission; and (3) Ridgeway's request for a six-month extension of confidentiality.

After discussing if a temporarily-abandoned versus shut-in status would prevent Ridgeway from continuing to hold its leases, whether a gas analysis is a test required under the oil and gas rules, and the extension of confidentiality with Messrs. Riggs and White of Ridgeway,

Mr. Lanshe moved, seconded by Dr. Clay:

TO APPROVE THE RECOMMENDATION OF THE ADMINISTRATOR TO TEMPORARILY ABANDON RIDGEWAY'S WELLS SUBJECT TO DETERMINATION BY THE LAND DEPARTMENT THAT SUCH STATUS WOULD NOT JEOPARDIZE RIDGEWAY'S ABILITY TO CONTINUE TO HOLD ITS LEASES

Motion carried unanimously.

Mr. Lanshe moved, seconded by Dr. Clay:

THAT THE COMMISSION DEFER ACTION ON WHETHER A GAS ANALYSIS IS A TEST AND THE COMMISSION'S ABILITY TO GRANT A SIX-MONTH EXTENSION OF CONFIDENTIALITY PENDING A WRITTEN OPINION FROM LEGAL COUNSEL

Motion carried unanimously.

COMMISSION POLICY ON PUBLIC AND INDIAN LAND

Mr. Rauzi reported that the Commission holds bonds for companies drilling on public and Indian lands even though companies drilling on public land are required to post a bond with the federal government and companies drilling on Indian land are required to post a bond with the BIA. He reported that the bonds held by the Commission are duplicate bonds.

Mr. Lanshe moved, seconded by Dr. Clay:

THAT THE ADMINISTRATOR RELEASE DUPLICATE BONDS IF EVIDENCE OF BONDS HELD WITH THE FEDERAL GOVERNMENT OR BIA IS OBTAINED

Motion carried unanimously.

CALL TO THE PUBLIC

Paul Buff reported that the Bureau of Land Management would hold its next oil and gas lease sale in December.

ANNOUNCEMENTS

None.

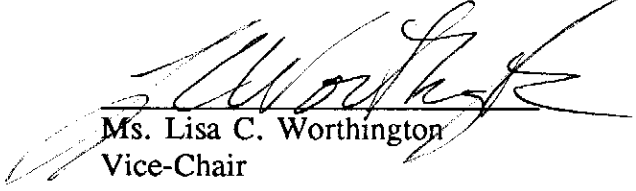
ADJOURNMENT

Mr. Lanshe moved, seconded by Dr. Clay:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:30 a.m.

APPROVED



Ms. Lisa C. Worthington
Vice-Chair

GUESTS IN ATTENDANCE

Mike Rice	State Land Department
Paul Buff	Bureau of Land Management
Don Riggs	Ridgeway Arizona Oil Corporation
Tom White	Ridgeway Arizona Oil Corporation