

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

Minutes of Meeting
March 27, 1998

Present:

Dr. J. Dale Nations, Chairman
Dr. Donald W. Clay, 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 27, 1998, 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 THE MINUTES OF THE MEETING OF OCTOBER 31, 1997

Dr. Clay moved, seconded by Mr. Veale:

THAT THE MINUTES OF THE MEETING OF OCTOBER 31, 1997, BE
ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows reported on the next biennial budget, upcoming legislation, and a three-year strategic plan. He reported that the budget would be for Fiscal years 1999 and 2000 and that no legislation appeared to directly affect the Arizona Geological Survey or the Commission. He explained how the oil and gas program fit into the three-year strategic plan.

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 he released \$85,000 of duplicate bonds for activities on Indian and public lands after receiving evidence of bonding with the Bureau of Indian Affairs or Bureau of Land Management (BLM).

ORAL PROCEEDING TO AMEND R12-7-117, R12-7-121, AND R12-7-125

Mr. Rauzi reported that no oral or written comments were received on the proposed rulemaking.

Dr. Nations opened the floor for discussion on the proposed rulemaking. There was none. The Commission adopted the rulemaking on R12-7-117, R12-7-121, and R12-7-125 as proposed. Dr. Nations signed the Agency Certificate.

CALL TO THE PUBLIC

Mr. Paul Buff reported that Premco Western planned to start drilling on the Arizona Strip soon. He briefly reviewed the BLM lease sale held on December 13, 1997.

ANNOUNCEMENTS

The next meeting was scheduled for October 2, 1998, in Room 500 of the Capitol Tower.

ADJOURNMENT

Dr. Clay moved, seconded by Mr. Veale:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:00 a.m.

APPROVED



Dr. J Dale Nations
Chairman

GUESTS IN ATTENDANCE

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