

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100

Tucson, Arizona 85701

Minutes of Meeting

October 2, 1998

Present:

Dr. J. Dale Nations, Chairman

Ms. Lisa C. Worthington, Vice-Chair

Mr. James C. Lanshe, 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 October 2, 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 MARCH 27, 1998

Ms. Worthington moved, seconded by Mr. Lanshe:

THAT THE MINUTES OF THE MEETING OF MARCH 27, 1998, BE
ACCEPTED AS PRESENTED

Motion carried unanimously.

STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows reported that the budget was submitted with a request for IOGCC dues and travel to an out-of-state meeting. He reported on the Annual State Geologist Meeting in Maine, 49th Annual Highway Geology Symposium in Prescott, Annual Meeting of the Western States Seismic Policy Council in Pasadena, and that he had chaired a session on land subsidence and earth fissures at the Annual Symposium of the Arizona Hydrological Society in Tucson. Dr. Fellows reported that there would be an open-house on October 9 in conjunction with Earth Science week October 11 through 17, 1998.

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 Snow Oil and Gas, Inc. had proposed an exploration unit for CO₂ near St. Johns at a meeting at the State Land Department on September 30, 1998. The Snow proposal was an alternative to the exploration unit for CO₂ proposed by Ridgeway Arizona Oil Corporation in April 1998. The Snow proposal includes only acreage in Arizona, whereas the Ridgeway proposal includes acreage in both Arizona and New Mexico.

PROPOSED CLARIFICATION OF STATUTE

Mr. Rauzi explained the amendments to A.R.S. §§ 27-501, 27-516, 27-522, 27-653, and 27-661 to clarify the time-frame for confidentiality of well records. He discussed the possibility of including the amendments in a bill to be sponsored by the State Land Department. The Commission agreed it would be helpful to have one bill for both agencies.

Mr. Lanshe moved, seconded by Ms. Worthington:

TO ACCEPT THE AMENDED STATUTORY LANGUAGE AS SUBMITTED BY
THE ADMINISTRATOR

Motion carried unanimously.

PROPOSED CLARIFICATION OF RULES

Mr. Rauzi explained the amendments to R12-7-121 and R12-7-125 to clarify the information to be submitted by an operator at the completion of drilling of a well or when requesting temporary abandonment.

Mr. Rice asked if the rules required an operator to complete testing sufficient to determine whether or not a well is a discovery well. Mr. Rauzi responded that the two rules being amended did not require such tests but that other rules did require such testing.

Mr. Lanshe moved, seconded by Ms. Worthington:

TO ACCEPT THE AMENDED RULE LANGUAGE AS SUBMITTED BY THE
ADMINISTRATOR

Motion carried unanimously.

CALL TO THE PUBLIC

Mr. Jim Brannigan, consulting petroleum geologist, reported that he was studying the carbon dioxide area near St. Johns on behalf of Snow Oil and Gas. Mr. Brannigan had made copies of well files for his study. He pointed out discrepancies on several Sundry Notices and Completion Reports submitted to the Oil and Gas Conservation Commission by Ridgeway Arizona Oil Corporation. Mr. Brannigan requested the Commission to obtain amended reports clarifying the discrepancies in order to have correct information on file.

Mr. Lanshe moved, seconded by Ms. Worthington:

THAT THE COMMISSION GO INTO EXECUTIVE SESSION

Motion carried unanimously. The Executive Session began at 11:05 a.m.

The regular meeting resumed at 11:35 a.m.

ANNOUNCEMENTS

The next meeting was scheduled for January 15, 1999, in Room 500 of the Capitol Tower.

Dr. Nations reported that the U.S. Department of Energy is interested in the oil and gas potential of the Black Mesa Basin in northeastern Arizona.


ADJOURNMENT

Mr. Lanshe moved, seconded by Ms. Worthington:

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
Michael J. Rice
Jim Brannigan

Office of Attorney General
State Land Department
Consulting Petroleum Geologist, Roswell, New Mexico