

## OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100  
Tucson, Arizona 85701

Minutes of Meeting  
September 17, 1999

Present:

Dr. J. Dale Nations, Chairman  
Dr. Donald W. Clay, Member  
Mr. Robert L. Jones, 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 September 17, 1999, was called to order by Dr. J. Dale Nations, Chairman, at 10:00 a.m. in Room 500, State Capitol Tower, Phoenix, Arizona.

Dr. Nations introduced the new Commission member Mr. Robert L. Jones. Mr. Jones described his background.

### APPROVAL OF THE MINUTES OF THE MEETING OF MAY 7, 1999

Dr. Clay moved, seconded by Mr. Veale:

THAT THE MINUTES OF THE MEETING OF MAY 7, 1999, BE  
ACCEPTED AS PRESENTED

Motion carried unanimously.

### STATEMENT OF DIRECTOR AND STATE GEOLOGIST

Dr. Fellows described his attendance at the annual meeting of the Association of American State Geologists. He reported that the Arizona Geological Survey (AZGS) distributed more than 11,000 geologic reports and maps in fiscal year 1999 and released 35 open-file reports, 4 contributed maps, 3 contributed reports and 4 digital information products.

Dr. Fellows reported that in early June he learned that Ridgeway Arizona Oil Corporation (Ridgeway) had a serious concern about the release of OFR 99-2, which was a geologic report on the CO<sub>2</sub> area near St. Johns. He reported that he attended a meeting on July 13, 1999, to discuss what the concerns were and ways to resolve them. The meeting was also attended by Mr. Steve Jewitt of the Governor's Office, Mr. Marc Steadman and Ms. Laurie Hachtel of the Attorney General's Office, Chairman Dale Nations, Mr. Don Riggs of Ridgeway, Representative Jake Flake from District 4, and Mr. Marc Osborn, public relations person for Ridgeway. Mr. Osborn agreed to put together a list of specific concerns and get together again in September.

Dr. Fellows reported that he attended a public meeting of the House Natural Resource Committee in Springerville on August 17, 1999. At the meeting, Ridgeway described their CO<sub>2</sub> project and distributed a concept paper on reforming the Oil and Gas Commission and the Arizona Geological Survey. Dr. Fellows handed out a copy of the concept paper Ridgeway distributed at the Springerville meeting and discussed the three issues they presented. Those issues included moving the Commission to the Department of Mines and Mineral Resources, restricting the publication of public records involving active oil and gas developments, and amending oil and gas rules to be more consistent with those in the State of New Mexico. He reported that the Speaker of the House and eight Committee chairs attended the Springerville meeting.

Dr. Fellows reported that the biennial budget and strategic and information technology plans were submitted. Subsidence in Arizona will be featured in the fall issue of Arizona Geology, which was now at the printer. He reported that he recently attended the annual meeting of the Western States Seismic Policy Council. The AZGS recently completed a map showing earthquake hazards in Arizona, which was a cooperative project with the Department of Emergency and Military Affairs, the Arizona Council on Earthquake Safety, and the Federal Emergency Management Agency.

Dr. Fellows reported that the AZGS was starting to plan for Earth Science week, which will be October 10 through 16, and described several of the projects planned that week around the state. He announced that he was starting on the Annual Report for fiscal 1999 and hoped to have it done by the next meeting.

#### 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 Premco Western was drilling at a depth of about 450 feet on its well in northwestern Arizona, that a driller in Snowflake was close to scheduling the plugging of the PetroSun well near Concho, and that he was currently working on a set of well-log sections across the Holbrook salt basin.

#### RIDGEWAY ARIZONA OIL CORPORATION CO<sub>2</sub> PROJECT

Mr. Rauzi presented a well-by-well brief of the Ridgeway project to date. He used a series of maps of the project area to summarize well locations and testing information submitted to the State of Arizona.

Mr. Marc Osborn, lobbyist for Ridgeway, explained Ridgeway's concern about the length of time well records are kept confidential and discussed several legislative reforms proposed by Ridgeway. The reforms included moving the Oil and Gas Commission to the Department of Mines and Mineral Resources to create a formal barrier between publication and regulatory functions, changing the standard for holding information confidential from substantial harm to the operator to a public purpose, and making the oil and gas regulations as similar as possible to those of the State of New Mexico.

CALL TO THE PUBLIC

Mr. Paul Buff, Bureau of Land Management (BLM), reported that two parcels of public land in the Arizona Strip District were leased in conjunction with a sale held by the New Mexico BLM. He reported that five parcels of Forest Service land in the Flagstaff area were nominated several years ago but that having a lease sale in Arizona this year would depend on the fiscal 2000 budget.

ANNOUNCEMENTS

The next meeting was scheduled for October 29, 1999, in Room 500 of the Capitol Tower.

Mr. Veale moved, seconded by Dr. Clay:

**THAT THE COMMISSION GO INTO EXECUTIVE SESSION**

Motion carried unanimously. The Executive Session began at 10:54 a.m.

The regular meeting resumed at 12:30 p.m.

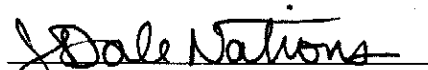
ADJOURNMENT

Dr. Clay moved, seconded by Mr. Jones:

**THAT THE MEETING BE ADJOURNED**

Motion carried unanimously. Time of adjournment was 12:30 p.m.

APPROVED



Dr. Dale Nations  
Chairman

GUESTS IN ATTENDANCE

Paul J. Buff	U.S. Bureau of Land Management
Randy Hillier	Office of Strategic Planning and Budgeting
Andy Hurwitz	Ridgeway Arizona Oil Corporation
Rep. Jean McGrath	Legislature
Marc Osborn	R & R Partners
Michael J. Rice	State Land Department
Marc Steadman	Office of Attorney General
Thomas White	Ridgeway Arizona Oil Corporation