

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100

Tucson, Arizona 85701

Minutes of Meeting

January 31, 2003

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Jones, Vice-Chairman
Mr. Joseph J. Lane, Member
Mrs. Michele P. Negley, Member
Mr. Robert L. Wagner, Member
Mr. Steven L. Rauzi, Oil and Gas Administrator

The regular Commission Meeting of January 31, 2003, was called to order by Dr. J. Dale Nations, Chairman, at 10:00 a.m. in Room 321, State Land Department Building, Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 13, 2002

Mr. Jones moved, seconded by Mr. Lane:

THAT THE MINUTES OF THE MEETING OF SEPTEMBER 13, 2002,
BE ACCEPTED AS PRESENTED

Motion carried unanimously.

REPORT OF DIRECTOR AND STATE GEOLOGIST

Mr. Rauzi reported that Dr. Fellows was not present because he was attending the Appropriations Subcommittee meeting for the Arizona Geological Survey. Mr. Rauzi distributed a report written by Dr. Fellows that summarized recent and upcoming projects and the budget.

REPORT OF THE OIL AND GAS ADMINISTRATOR

The activity report of Mr. Rauzi was sent to the Commissioners and has been made a part of these minutes. Mr. Rauzi discussed his recently completed cross sections from wells in the western Holbrook Basin to outcrops in Grand Canyon and the Sedona area. The cross sections were released as an open file report. He informed the Commissioners that his next project would be to digitize a map of the oil and gas wells in the state.

OVERVIEW AND DISCUSSION OF THE RED LAKE GAS STORAGE LP PROJECT

Messrs. Indergard, Garrett, and Houser, on behalf of Aquila Energy, presented an overview of the gas storage project north of Kingman. They described the proposed facility including several wells to supply water for leaching, two caverns leached in salt, and four wells to dispose of brine from the leaching process. They discussed the location of the facility in relation to the geology and hydrology of the Hualapai Valley.

DISCUSSION WITH RIDGEWAY PERSONNEL AND PUBLIC ABOUT THE STATUS OF RIDGEWAY'S CO2 PROJECT

No Ridgeway personnel were present. Mr. Rauzi reported that Ridgeway had submitted a proposed unit agreement to the State Land Department on November 4, 2002, and that the Land Department had denied the proposed unit agreement on January 29, 2003. He gave a copy of the decision denying the proposed unit agreement to the Commissioners.

CALL TO THE PUBLIC

Mr. Somers described one of his prospects near the old helium fields at Pinta Dome. He reported that FLO-CO₂ had contacted him about additional sources of CO₂ near St. Johns because of a recent decline in production to its liquid plant.

ELECTION OF OFFICERS

Dr. Nations was elected Chairman and Mr. Jones was elected vice-Chairman on secret ballot.

ANNOUNCEMENTS

The Commission scheduled its next meeting at 10:00 a.m. on April 25, 2003, in Room 321 at the State Land Department Building in Phoenix.

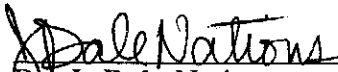
ADJOURNMENT

Mrs. Negley moved, seconded by Mr. Wagner:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:28 a.m.

APPROVED


D. J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Richard Ahern State Land Department
Alan Bohnenkamp ACC Pipeline Safety
Chris Garrett Aquila Energy
Ken Houser Aquila Energy
Lantz Indergard Aquila Energy

Gordon LeBlanc, Jr. LBLP
Yale Rogers Grazing Lessee
John Somers High Plains Petroleum
Scott Somers High Plains Petroleum