

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

Minutes of Meeting  
May 13, 2005

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  
Dr. Larry D. Fellows, Director and State Geologist  
Mr. Steven L. Rauzi, Oil and Gas Administrator

Dr. J. Dale Nations, Chairman, called the regular Commission Meeting of May 13 to order at 10:00 a.m. in Room 321, State Land Department Building in Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 28, 2005

Mr. Jones moved, seconded by Mr. Wagner:

THAT THE MINUTES OF THE MEETING OF JANUARY 28, 2005 BE  
ACCEPTED AS PRESENTED

Mrs. Negley noted that it read "Mrs. Negley Lane" in the adjournment. Mr. Rauzi indicated that he would correct that in the minutes for January 28.

Motion carried unanimously.

REPORT OF THE DIRECTOR AND STATE GEOLOGIST

Dr. Fellows reported that there was no increase or decrease in the new budget and that he would retire from state service effective June 30.

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 the permits issued and wells drilled or plugged since the last meeting on January 28, 2005. He reported that the CO<sub>2</sub> project was now finished.

ORAL HEARING TO AMEND A.A.C. R12-7-103

Mr. Rauzi reported that no oral or written comments were received on the proposed rulemaking since publication in the Arizona Administrative Register.

Dr. Nations opened the floor for discussion on the proposed rulemaking. There was none.

Mrs. Negley moved, seconded by Mr. Wagner:

TO APPROVE THE RULES AS PUBLISHED IN THE ARIZONA  
ADMINISTRATIVE REGISTER

Motion carried unanimously.

STATUS OF HOLBROOK ENERGY WELLS 35-1 HORTENSTINE (PERMIT 919) AND 17-1 NZ (PERMIT 924) AND POSSIBLE DECISION CONCERNING REQUEST FOR TEMPORARY ABANDONMENT

Mr. Rauzi reported that temporary abandonment for the Hortenstine well expired this month and that Holbrook Energy was currently testing the 17-1 NZ well. He reported that Holbrook Energy had submitted a written request for temporary abandonment of the two wells. Mr. Rauzi noted that a Sundry Notice describing the current status of the wells was on file and recommended approval of the request.

Mrs. Negley moved, seconded by Mr. Lane:

TO APPROVE TEMPORARY ABANDONMENT FOR THE TWO WELLS  
FOR SIX MONTHS

Motion carried unanimously.

STATUS OF RIDGEWAY ARIZONA OIL CORPORATION WELLS 22-1X STATE (888), 11-21 STATE (895), 10-22 STATE (896), 9-21 STATE (897), 12-15-30 STATE (900), AND 11-18 STATE (916), APACHE COUNTY AND POSSIBLE DECISION CONCERNING REQUEST FOR TEMPORARY ABANDONMENT

Mr. Rauzi reported that the 11-18 had temporary abandonment through January 2006 and that temporary abandonment of the 22-1X, 11-21, 10-22, 9-21, and 12-15-30 wells expired this month. Mr. Rauzi reported that Ridgeway submitted a written request to extend temporary abandonment through January 2006. He noted that a Sundry Notice describing the current status of the wells was on file and recommended approval of the request.

Mr. Jones moved, seconded by Mr. Wagner:

TO APPROVE TEMPORARY ABANDONMENT TO THE 22-1X, 11-21, 10-22,  
9-21, AND 12-15-30 WELLS THROUGH JANUARY 2006

Motion carried unanimously.

CALL TO THE PUBLIC

Mr. Lasker introduced himself as newly appointed CEO of Ridgeway Petroleum and summarized his plan for staged development to prove up reserves in the St. Johns-Springerville area.

Mr. Buff reported the BLM would hold a lease sale July 13 offering 30 to 35 parcels on the Arizona Strip. He also reported that the IBLA, Interior Board of Land Appeals, upheld the termination of Rodney Ratheal's unit on the Arizona Strip for lack of diligent drilling.

ANNOUNCEMENTS

The Commission scheduled its next meeting at 10:00 a.m. on July 29, 2005, in Room 321 at the State Land Department Building in Phoenix.

Ms. Woodall explained some of the logistical and legal requirements of the open meeting law in setting up a tour or inspection of a field facility.

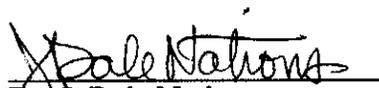
ADJOURNMENT

Mr. Jones moved, seconded by Mr. Wagner:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:45 a.m.

APPROVED



Dr. J. Dale Nations  
Chairman

GUESTS IN ATTENDANCE

Richard Ahern  
Paul J. Buff  
Jo Anne Jones  
Barry Lasker  
Michele Lorenzen  
Yale Rogers  
Laurie A. Woodall

State Land Department  
Bureau of Land Management  
Guest of Bob Jones  
Ridgeway Petroleum  
Ryley Carlock & Applewhite  
Public  
Office of Attorney General