

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

Minutes of Meeting  
July 28, 2006

**Present:**

Dr. J. Dale Nations, Chairman  
Mr. Robert L. Jones, Vice-Chairman  
Mr. Joseph J. Lane, Member  
Ms. Michele P. Negley, Member  
Mr. Robert L. Wagner, Member  
Dr. M. Lee Allison, State Geologist and Director  
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

Dr. J. Dale Nations, Chairman, called the regular Commission Meeting of July 28 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 APRIL 28, 2006

Mr. Lane moved, seconded by Ms. Negley:

THAT THE MINUTES OF THE MEETING OF APRIL 28, 2006 BE ACCEPTED  
AS PRESENTED

Motion carried unanimously.

REPORT OF THE STATE GEOLOGIST AND DIRECTOR

Dr. Allison discussed his proposed budget directly related to the Commission including in-state travel and meetings and the Interstate Oil and Gas Compact Commission (IOGCC). He noted that the salary and related expenses of the oil and gas program administrator and other staff support such as web-page development, payroll, secretarial and other matters were covered under the Survey budget.

Ms. Negley moved, seconded by Mr. Wagner:

TO APPROVE DR ALLISON'S PROPOSED BUDGET OF \$5100 FOR FISCAL  
YEAR 2007 AND \$11,700 FOR FISCAL YEAR 2008, WHICH INCLUDED AN  
ADDITIONAL \$5100 FOR THE ANNUAL IOGCC ASSESSMENT PLUS \$1500  
FOR TRAVEL-RELATED EXPENSES TO IOCC MEETINGS

Motion carried unanimously.

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 reported that El Paso Natural Gas was moving in equipment to drill its stratigraphic hole in the Picacho basin and that he planned to stop by the El Paso location on his return from Phoenix.

DISCUSSION AND POSSIBLE DECISION ABOUT WELL SAMPLES RECEIVED PURSUANT TO A.A.C. R12-7-121

Dr. Allison reviewed his memo to the Survey staff about adherence to the Commission's sample policy for samples received by the Survey under A.A.C R12-7-121. The

Commission requested that a draft guideline for destructive analyses and skeletonization of samples be prepared for its consideration at the next meeting.

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(10-27-06)

STATUS OF NEW COMMISSION WEB PAGE

Mr. Rauzi reviewed the new Commission webpage and acknowledged Ms. Erin Moore's involvement in the development of the web page. Dr. Allison noted that the IOGCC would be announcing the new web page in its next newsletter and indicated that the ultimate goal was to provide access to well logs and other digital well information through the web page. The Commissioners agreed that AZOGCC.AZ.GOV would be an appropriate domain name.

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

Mr. Rauzi reported that Ridgeway had submitted several applications for permit to drill. He indicated that the applications were being reviewed in anticipation of approval of a surface plan from the State Land Department. Mr. White had nothing new to report.

CALL TO THE PUBLIC

None

ANNOUNCEMENTS

Chairman Nations announced the availability of State ID cards for the Commissioners.

The Commission scheduled its next meeting at 10:00 a.m. on Oct 27, 2006, in room 321 at the State Land Department Building in Phoenix.


ADJOURNMENT

Ms. Negley moved, seconded by Mr. Lane:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:20 a.m.

APPROVED

  
Dr. J. Dale Nations  
Chairman

GUESTS IN ATTENDANCE

- |                      |                                            |
|----------------------|--------------------------------------------|
| Jay Baughman         | Office of Strategic Planning and Budgeting |
| Michael Rice         | Arizona State Land Department              |
| Michelle Van Quathem | Ryley Carlock                              |
| Thomas White         | Ridgeway Arizona Oil Corporation           |