

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
April 17, 2009

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Jones, Vice-Chairman
Mr. Stephen R. Cooper, Member
Dr. M. Lee Allison, State Geologist and Director of Arizona Geological Survey
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

Dr. Nations, Chairman, called the regular Commission Meeting of April 17 to order at 10:04 a.m. in Room 321, State Land Department Building in Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING AND EXECUTIVE SESSION OF JANUARY 16, 2009

Mr. Jones moved, seconded by Mr. Cooper:

THAT THE MINUTES OF THE MEETING AND EXECUTIVE SESSION OF
JANUARY 16, 2009, BE ACCEPTED AS PRESENTED

Motion carried unanimously.

CONFLICTS OF INTEREST

None

REPORT OF STATE GEOLOGIST AND DIRECTOR OF ARIZONA GEOLOGICAL SURVEY

Dr. Allison reported that there were no changes to his last update about the budget and that Mr. Rauzi was still reassigned about half time to external projects and grants. He indicated that legislative proposals that have been leaked so far would add another 13 to 14 percent starting July 1 to the 20 percent reduction in the Geological Survey's budget for this year but he did not know where the Governor's budget would go with that. Dr. Allison indicated that because of these anticipated cuts the Geological Survey was actively seeking additional outside resources and that it was the intent of the Geological Survey to continue to provide the Commission the full support that it needed to carry out its work.

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 four permits were issued since the January meeting, three to Ridgeway Arizona Oil Corporation (Ridgeway) and one to Willcox Greenhouse LLC. He reported that drilling had started on two wells, one by Ridgeway and one by Willcox. Mr. Rauzi reported that APS (Arizona Public Service Company) planned to start drilling its stratigraphic test near the Cholla Power plant in May and that Southwest Exploration Inc. had submitted applications for five stratigraphic holes on its potash acreage southwest of the Petrified Forest National Park.

SUNCOR REQUEST FOR TEMPORARY ABANDONMENT FOR THE 1-19 WELL

Mr. Rauzi reported that SunCor Development Company submitted a bond and a test demonstrating casing integrity in accordance with the provisions of the motion to extend temporary abandonment in the January 16 meeting. No further action was necessary.

RIDGEWAY REQUEST FOR SHUT-IN STATUS FOR WELL 11-21

Mr. Rauzi reported that Ridgeway submitted an application to plug and abandon the 11-21 well so it was no longer under consideration for shut-in status. No further action was necessary.

RIDGEWAY REQUEST FOR SHUT-IN STATUS FOR WELLS 22-1X, 10-22, 9-21, 11-16-30, 11-29-30, 11-6-31, 11-29-31, 11-24-29, 12-34-29X, AND 11-23-30

Mr. Rauzi reported that Ridgeway submitted an application to plug and abandon the 22-1X and 9-21 wells so they were no longer under consideration for shut-in status. He reported that Ridgeway submitted a one-point back pressure test for the remaining wells as the Commission had requested in the January meeting. Mr. Rauzi recommended shut-in status for the remaining wells.

Mr. Jones moved, seconded by Mr. Cooper:

TO GRANT SHUT-IN STATUS TO THE 10-22, 11-16-30, 11-29-30, 11-6-31, 11-29-31, 11-24-29, 12-34-29X, AND 11-23-30 WELLS

Motion carried unanimously.

STATUS OF RIDGEWAY ARIZONA OIL CORPORATION DRILLING PROGRAM BETWEEN ST JOHNS AND SPRINGVILLE INCLUDING POSSIBLE REPORT FROM A REPRESENTATIVE OF RIDGEWAY

Mr. Portman reported that in light of the recent unit agreement that Ridgeway was reviewing its plan to drill and develop the field and that Ridgeway would provide an update in a future meeting.

CALL TO THE PUBLIC

Mr. Billington, who was Ridgeway's drilling supervisor in 2008, stated that several wells were not drilled or completed in compliance with Arizona rules and regulations. The Commission asked Mr. Billington to submit his complaints in a written, signed statement to Mr. Rauzi to be reviewed for possible inclusion as an agenda item at a future meeting. Mr. Lasker indicated that Ridgeway would like the opportunity to review any written complaints submitted by Mr. Billington.

Mr. Lasker indicated that in light of the State's budget and staff cuts and Ridgeway's anticipated field development now that the State Land Department had approved its unit agreement that Ridgeway would be available to provide funding if it is allowed.

ANNOUNCEMENTS

Mr. Rauzi reported that Ms. Nakai resigned to accept an appointment from Governor Jan Brewer as Policy Advisor for Tribal Affairs.

The Commission scheduled its next meeting at 10:00 a.m. on July 17, 2009, in room 321 at the State Land Department Building in Phoenix.

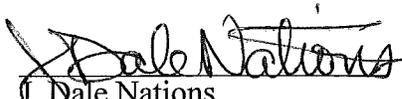
ADJOURNMENT

Mr. Jones moved, seconded by Mr. Cooper:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:40 p.m.

APPROVED


J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Sam Billington	Self
John Blanchard	Ridgeway Arizona Oil Corporation
Josh Bleak	Southwest Exploration Inc.
Curtis Cox	Assistant Attorney General
Joe Dixon	State Land Department
Jerry Ellsworth	SunCor Development Company
Barry Lasker	Ridgeway Arizona Oil Corporation
Barry Portman	Ridgeway Arizona Oil Corporation
Terrence Smithson	Passport Minerals
Thomas White	Ridgeway Arizona Oil Corporation