

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
January 15, 2010

Present:

Dr. J. Dale Nations, Chairman
Mr. Stephen R. Cooper, Member
Frank Thorwald, Member
Mr. Robert L. Wagner, Member
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

Dr. Nations, Chairman, called the regular Commission Meeting of January 15 to order at 10:00 a.m. in Room 321, State Land Department Building in Phoenix, Arizona. Commissioner Thorwald did not participate in voting because his required paperwork was not yet completed.

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 16, 2009

Mr. Cooper moved, seconded by Mr. Nations:

THAT THE MINUTES OF THE MEETING OF OCTOBER 16, 2009, BE
ACCEPTED AS PRESENTED

Motion carried unanimously.

CONFLICTS OF INTEREST

None

REPORT OF STATE GEOLOGIST AND DIRECTOR OF ARIZONA GEOLOGICAL SURVEY

Mr. Rauzi reported that Dr. Allison summarized the budget situation in his December 20, 2009 blog.

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 nine permits were issued and seven wells were drilled in 2009. He reviewed the results of the drilling and completion activity.

DISCUSSION OF RIDGEWAY ARIZONA OIL CORP PERMITS 888, 896, 937, 938, 939, 943, 945, 954, AND 966 AND POSSIBLE DECISION CONCERNING SHUT-IN STATUS

Mr. Rauzi reported that Ridgeway submitted a written request to extend shut-in status for one year. He indicated that Ridgeway's unit agreement was approved and that there was no reported change in the mechanical condition and integrity of the wells. Mr. Rauzi recommended approval of the request.

Mr. Cooper moved, seconded by Mr. Wagner:

TO GRANT SHUT-IN STATUS FOR ONE YEAR

Motion carried unanimously.

DISCUSSION OF RIDGEWAY ARIZONA OIL CORP PERMITS 916, 940, 941, 944, 946, 947, 950, 953, 955, 956, 957, 959, 962, 963, 964 AND 970 AND POSSIBLE DECISION CONCERNING TEMPORARY ABANDONMENT

Mr. Rauzi reported that Ridgeway submitted a written request to extend temporary abandonment for one year. He indicated there was no reported change in the mechanical condition and integrity of the wells and recommended approval of the request. Mr. Rauzi explained the difference between shut-in and temporary abandon status.

Mr. Wagner moved, seconded by Mr. Cooper:

TO GRANT TEMPORARY ABANDONMENT FOR ONE YEAR

Motion carried unanimously.

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

Mr. White reported that a unit agreement was approved that required five wells to be drilled within the first year. He indicated that Ridgeway planned to start permitting those wells shortly.

ELECTION OF OFFICERS

Mr. Wagner moved, seconded by Mr. Cooper:

TO CONTINUE DR. NATIONS AS CHAIRMAN FOR TWO MORE YEARS

Motion carried unanimously.

Mr. Cooper moved, seconded by Dr. Nations:

TO ELECT MR. WAGNER VICE-CHAIRMAN FOR TWO YEARS

Motion carried unanimously.

CALL TO THE PUBLIC

Mr. Hafely stated his appreciation for the Commission's work. Mr. Dixon reported that the Ridgeway unit agreement was amended to require the five obligation wells to be drilled by February 2011 instead of 2010 and announced that recent press releases indicated that PetroSun received \$12.5 million to drill in the Holbrook basin.

ANNOUNCEMENTS

Commissioner Thorwald introduced himself and briefly described his background. The Commission scheduled its next meeting at 10:00 a.m. on April 16, 2010, in room 321 at the State Land Department Building in Phoenix.

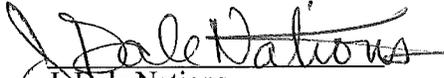
ADJOURNMENT

Mr. Wagner moved, seconded by Mr. Cooper:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:25 a.m.

APPROVED


J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Curtis Cox	Assistant Attorney General
Joe Dixon	State Land Department
Leonard Hafely	Public from Kingman
Michele Van Quathem	Riley Carlock and Applewhite
Thomas White	Ridgeway Arizona Oil Corporation