

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

Minutes of Meeting
July 30, 2010

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Wagner, Vice-chairman
Mr. Stephen R. Cooper, Member
Mr. Frank Thorwald, Member
Ms. Maria Baier, State Land Commissioner and ex-officio 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 July 30 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 16, 2010

Mr. Thorwald moved, seconded by Mr. Wagner:

THAT THE MINUTES OF THE MEETING OF APRIL 16, 2010, 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 the Arizona Geological Survey avoided furloughs, lay-offs, and salary reductions because it has moved from a state-funded to a self-funded agency. He discussed the very large contract of \$22 million the Survey received to build and deploy a nationwide geothermal data system, which has helped the Survey to offset the loss of general fund appropriations. Dr. Allison reported that the Survey set up a separate, stand-alone fund for drilling bonds deposited with the agency and was in the process of developing a signature form for the release of those bond monies. He indicated that the separate bond fund and signature form would protect the bond monies from being swept up in any kind of legislative budget action. Near the conclusion of the meeting but before adjournment, the Commission posted a sign stating that the meeting had moved to room 215, which had internet access, where Dr. Allison demonstrated an online interactive map.

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 ten new permits were issued to Potash Green and Southwest Exploration/Passport Potash. He indicated that Potash Green drilled and plugged two wells and APS plugged its CO₂ sequestration test well near the Cholla power plant.

REPORT ABOUT IOGCC (INTERSTATE OIL AND GAS COMPACT COMMISSION)
ANNUAL MEETING IN TUCSON IN NOVEMBER 2010

Dr. Nations reported that the IOGCC would hold its annual meeting November 15-17 at the El Conquistador hotel in Tucson. He described the general nature of the meeting and the formation of a host committee. Commissioner Thorwald volunteered to serve.

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

Mr. Rauzi asked Mr. White about the status of the surface use plan submitted to the State Land Department for two pending applications to drill. Mr. White reported that it was still forthcoming and noted that Ridgeway planned to start drilling in the fall.

CALL TO THE PUBLIC

Mr. Dixon reported that the Carlson Group had contacted the State Land Department about permitting 10 to 12 potash holes in the next few months and that he had discussed ownership of subsurface pore space used to sequester carbon dioxide with Bob Worsley.

ANNOUNCEMENTS

The Commission scheduled its next meeting at 10:00 a.m. on October 15, 2010, in room 321 at the State Land Department Building in Phoenix.


ADJOURNMENT

In room 215, Mr. Wagner moved, seconded by Mr. Thorwald:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:25 a.m.

APPROVED


J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Mr. Curtis Cox	Assistant Attorney General
Mr. Joe Dixon	State Land Department
Mr. Thomas White	Ridgeway Arizona Oil Corporation