

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
October 15, 2010

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Wagner, 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 October 15 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 JULY 30, 2010

Mr. Wagner moved, seconded by Mr. Cooper:

THAT THE MINUTES OF THE MEETING OF JULY 30, 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 was financially stable and would be able to maintain all of its services for the Commission without any problems although the oil and gas administrator was working on a number of CO2 sequestration projects.

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 there were no new permits or wells drilled since the July meeting. He described the continuing effort of ANGTS to permit, construct, and operate a natural gas storage-well facility in the Picacho Basin.

REPORT ON PERFORMANCE BONDS AND THEIR STATUS

Dr. Allison discussed the status of the performance bonds held by the Arizona Geological Survey on behalf of the Commission. He reported that a separate, stand-alone fund for cash drilling bonds deposited with the agency was established to protect the bond monies from being swept up in any potential legislative budget actions. Mr. Cooper discussed the potential liability to the Commission of the unplugged American Fuels well on the Navajo Nation. The Commission directed staff to clarify the legal and fiscal responsibility for the American Fuels well with the BLM.

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

Dr. Allison reported that the Arizona Geological Survey would cover the registration costs of Commissioners to attend the annual meeting. He announced a workshop about hydro-fracturing to be held the afternoon of November 15. Dr. Nations indicated that a detailed program was not yet available but a generic agenda was posted on the IOGCC website.

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

Mr. Rauzi reported that Ridgeway had six permits to drill that were good through February 2011. Mr. White reported that Ridgeway was moving in a drilling rig and planned to start drilling the 11-03-29x State well on Monday.

CALL TO THE PUBLIC

None

ANNOUNCEMENTS

The Commission scheduled its next meeting at 10:00 a.m. on January 21, 2011, in room 321 at the State Land Department Building in Phoenix.

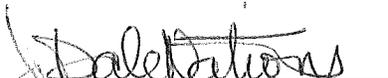
ADJOURNMENT

Mr. Wagner moved, seconded by Mr. Cooper:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:27 a.m.

APPROVED


J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Ms. Leslie Cooper	Assistant Attorney General
Mr. Joe Dixon	State Land Department
Mr. Thomas White	Ridgeway Arizona Oil Corporation