

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

Minutes of Meeting
January 21, 2011

Present:

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

Dr. Nations, Chairman, called the regular Commission Meeting of January 21 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 OCTOBER 15, 2010

Mr. Cooper moved, seconded by Mr. Wagner:

THAT THE MINUTES OF THE MEETING OF OCTOBER 15, 2010, 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 was at the fiscal year 2012 budget hearing at the legislature. He talked about two bills that Dr. Allison wanted the Commissioners to be aware of: one cleaned up language about the Commissioners' terms of appointment and the other would prevent agencies from enacting rules that were stricter than federal rules.

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 HNZ Potash permitted ten new wells, Ridgeway drilled three wells in its St Johns Unit, and SunCor plugged its Kakerlee well at Luke since the October meeting. He noted that HNZ Potash submitted nine new applications to drill in addition to the ten they had already permitted and that Passport Potash also contacted him about permitting ten additional wells.

DISCUSSION OF RIDGEWAY ARIZONA OIL CORPORATION WELLS WITHIN THE ST JOHNS UNIT AND POSSIBLE DECISION CONCERNING EXTENSION OF CURRENT STATUS

Mr. Rauzi reported that Ridgeway submitted a written request to grant temporary abandonment to the three wells they drilled in November 2010 (Permits 979, 990, and 991) and retain the current status of either temporary abandonment or shut-in of all of their wells within the St. Johns Unit boundary for the term of the St. Johns Unit Agreement. He recommended approval of the request for temporary abandonment and the request to retain the current status of the wells for the term of the unit agreement.

Mr. White reported that the term of the St. Johns Unit was three years and that if Ridgeway was not actively in production or constructing a plant or pipeline in three years then the unit would go away.

Mr. Dixon stated that the State Land Department had no objection to retaining the current status to all the wells and pointed out that the three years extended from February.

Mr. Wagner moved, seconded by Mr. Cooper:

TO GRANT TEMPORARY ABANDONMENT TO PERMITS 979, 990, AND 991

Motion carried unanimously.

Mr. Wagner moved, seconded by Mr. Cooper:

TO RETAIN THE CURRENT STATUS OF ALL RIDGEWAY WELLS WITHIN THE ST JOHNS UNIT BOUNDARY FOR THE TERM OF THE ST JOHNS UNIT AGREEMENT

Motion carried unanimously.

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

Mr. White discussed the recent drilling and completion techniques and better helium shows than in previous wells. He noted that testing was done with the drilling rig and because of time constraints they were not able to plug three wells that needed to be plugged. Mr. White stated that Ridgeway would plug those wells when it brought in a completion rig to conduct longer-term flow tests.

CALL TO THE PUBLIC

Mr. Dixon talked about the bill to prevent agencies from enacting rules stricter than federal rules.

ANNOUNCEMENTS

Dr. Nations announced that the IOGCC annual meeting in Tucson in November was successful and described some of the speakers and topics discussed. The Commission scheduled its next meeting at 10:00 a.m. on April 15, 2011, in room 321 at the State Land Department Building in Phoenix.

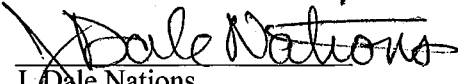
ADJOURNMENT

Mr. Cooper moved, seconded by Mr. Wagner:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:24 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