

## OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100  
Tucson, Arizona 85701

Minutes of Meeting  
October 18, 2013

Present:

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

Dr. Nations, Chairman, called the regular Commission Meeting of October 18 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 19, 2013

Mr. Wagner moved, seconded by Mr. Thorwald:

THAT THE MINUTES OF THE MEETING OF JULY 19, 2013, BE ACCEPTED AS  
PRESENTED

Motion carried unanimously.

CONFLICTS OF INTEREST

None

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 36 new permits were issued and 18 wells were drilled since the July 2013 meeting. He reported that American West Potash drilled the 18 wells for potash east of Petrified Forest National Park. Mr. Rauzi reported a successful inspection of the LPG facilities near Luke and Adamana. He noted that he gave a short talk about potash drilling in the area to the New Mexico Geological Society field trip at the Petrified Forest National Park the day after his LPG inspection.

STATUS OF TRIOMPHE ENERGY #1 WELL (PERMIT 1095)

Mr. Rauzi reported that temporary abandonment on the Triomphe Energy well north of Holbrook expired this month. He reported that Triomphe Energy planned to start more tests of the well on October 30 and submitted a request to extend temporary abandonment through June 2014, which is the term of confidentiality on the well. Mr. Rauzi recommended approval of the request.

Mr. Cooper moved, seconded by Mr. Wagner:

TO EXTEND TEMPORARY ABANDONMENT TO JULY 31 SO THAT THE  
COMMISSION COULD ADDRESS THE ISSUE AT ITS JULY 2014 MEETING

Motion carried unanimously.

STATUS OF KINDER MORGAN CO2 PROJECT BETWEEN ST JOHNS AND SPRINGERVILLE

Mr. Ryan McCreery presented an overview of Kinder Morgan and Kinder Morgan's holdings in Arizona including the St Johns CO<sub>2</sub> source field. Ms. Corrie Hartman presented the current status of

Kinder Morgan's drilling and testing program at the St Johns field, discussed anticipated drilling and testing programs starting in late 2013 and continuing through 2014 and 2015 and achieving initial field development in 2016. Ms. Hartman discussed anticipated flow rates from the wells, which could ultimately reach 160 wells, to achieve the 300 million cubic foot per day rate for the pipeline. She reported that formation water in the producing formation ranged from 20,000 to 50,000 ppm total dissolved solids and indicated that because of the depth of the producing formation and completion techniques there would be no communication between the water in the producing formation and the shallower aquifer.

CALL TO THE PUBLIC

Mr. Conrath reported on recent BLM lease sales near Gray Mountain and south of Kingman.

ANNOUNCEMENTS

The Commission scheduled its next meeting at 10:00 a.m. on January 17, 2014, 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 10:35 a.m.

APPROVED

  
J. Dale Nations  
Chairman

GUESTS IN ATTENDANCE

Mr. Fred Conrath	U.S. Bureau of Land Management
Mr. Joe Dixon	Arizona State Land Department
Gordon Dubley	United Helium
Dennis Hall	Montgomery & Associates
Corrie Hartman	Kinder Morgan
Raymond Hobbs	United Helium
Jason Isaak	PDC
Michael Ingrads	Arizona Game & Fish
Ryan McCreery	Kinder Morgan
Bill Nesgood	Kleinfelder
Dannette Weiss	Arizona Game & Fish
Mr. Thomas White	Kinder Morgan