

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
July 18, 2014

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Wagner, Vice-chairman
Mr. Stephen R. Cooper, Member (appeared by telephone)
Mr. Frank Thorwald, 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 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 OCTOBER 18, 2013

Mr. Wagner moved, seconded by Mr. Thorwald:

THAT THE MINUTES OF THE MEETING OF OCTOBER 18, 2013, BE ACCEPTED AS PRESENTED

Motion carried unanimously.

CONFLICTS OF INTEREST

Mr. Thorwald noted a conflict with Soneera Water.

REPORT OF STATE GEOLOGIST AND DIRECTOR OF ARIZONA GEOLOGICAL SURVEY

Dr. Allison reaffirmed Arizona Geological Survey's (AZGS) commitment to support the Commission. He reported the AZGS role in building the NGDS (National Geothermal Data System), which is a catalog of geothermal records across the country. He reported it contained about 3 million well records including digital records in Arizona.

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 47 permits were issued and 30 wells were drilled in 2013. He reported that eight permits were issued and two wells were drilled in 2014. He described the potential for subsurface storage of CO₂ beneath the Navajo Generating Station near Page.

STATUS OF TRIOMPHE ENERGY #1 WELL (PERMIT 1095)

Mr. Rauzi reported that Triomphe Energy requested an extension of temporary abandonment and confidentiality which expired this month. He reported that Triomphe wanted to stimulate the well and needed an Aquifer Protection Permit from ADEQ to do that. Mr. Rauzi noted that it would take about six months to obtain an Aquifer Protection Permit from the ADEQ.

Mr. Cooper moved, seconded by Mr. Thorwald:

TO EXTEND TEMPORARY ABANDONMENT AND CONFIDENTIALITY THROUGH JULY 2015

Motion carried unanimously.

SONEERA WATER PRESENTATION ABOUT TREATMENT OF WASTE WATER

Mr. Behan handed out an informative brochure and described the water treatment system of Soneera Water. He noted the cost advantage of Soneera to other treatment systems.

COORDINATION WITH ADEQ FOR WELLS WITH PROPOSED ARTIFICIAL STIMULATION

Mr. Rauzi reported that he discussed coordination with Maribeth Greenslade at ADEQ. He reported that both agreed that the Oil and Gas Conservation Commission would advise operators that an APP from ADEQ is required for any wells that are hydraulically fractured.

STATUS OF KINDER MORGAN DRILLING PROGRAM BETWEEN ST JOHNS AND SPRINGERVILLE

Ms. Hartman described the status of Kinder Morgan's drilling schedule and reported that 14 more wells were planned later this year and into 2015.

REVIEW OF DRILLING PERFORMANCE BONDS

Mr. Rauzi reviewed the status of bonds currently on file with the Oil and Gas Conservation Commission. He reported that the only change from the July 2013 bond list was the addition of a \$25,000 blanket bond for Gusher State LLC.

CALL TO THE PUBLIC

None

ANNOUNCEMENTS

Dr. Nations reported that he had contacted the Governor's Office of Boards and Commissions about Commission membership after the two previous meetings were cancelled because of a lack of quorum. The Commission scheduled its next meeting at 10:00 a.m. on October 17, 2014, in room 321 at the State Land Department Building in Phoenix.

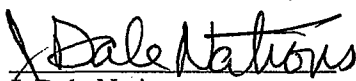
ADJOURNMENT

Mr. Wagner moved, seconded by Mr. Thorwald:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:40 a.m.

APPROVED


D. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Mr. Darrell Behan	Soneera Water	Ms. Carrolette Winsread	GES
Mr. Joe Dixon	State Land	Ms. Michelle Van Quathem	Ryley Carlock
Ms. Corrie Hartman	Kinder Morgan	Mr. Rick Zeise	Attorney General
Mr. Thomas White	Kinder Morgan		