

OIL AND GAS CONSERVATION COMMISSION

416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
July 17, 2015

Present:

Mr. Robert L. Wagner, Vice-chairman
Mr. Stephen R. Cooper, Member
Mr. William C. Feyerabend, Member
Mr. Frank Thorwald, Member
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

Mr. ^{Wagner 10-16-15}Wagoner, Vice-Chairman, called the regular Commission Meeting of July 17 to order at 10:00 a.m. in Room 321, State Land Department Building in Phoenix, Arizona.

WELCOME NEW MEMBER

Mr. Feyerabend introduced himself and described his background and interests.

APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 17, 2015

Mr. Thorwald moved, seconded by Mr. Feyerabend:

THAT THE MINUTES OF THE MEETING OF APRIL 17, 2015, BE ACCEPTED AS
PRESENTED

Motion carried unanimously.

CONFLICTS OF INTEREST

None

REPORT OF STATE GEOLOGIST AND DIRECTOR OF ARIZONA GEOLOGICAL SURVEY

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 no permits were issued since the last meeting. He reported that Kinder Morgan plugged 10 wells in its CO₂ field and was conducting flow tests on four of the wells that were drilled last year.

REQUEST OF TRIOMPHE ENERGY PERMIT 1095 TO EXTEND TEMPORARY ABANDONMENT AND CONFIDENTIAL STATUS

Mr. Rauzi reported that Triomphe Energy requested an extension of temporary abandonment (TA) and confidential status (CS), which expired this month, for two years. He reported that the well will have been in TA and CS for three years this month. Mr. Rauzi reported that A.A.C. R12-7-125 allows up to five years TA and A.R.S. § 27-522 allows up to three years CS. He recommended extending TA and denying CS.

Mr. Thorwald moved, seconded by Mr. Feyerabend:

TO EXTEND TEMPORARY ABANDONMENT OF PERMIT 1095 FOR TWO YEARS

Motion carried unanimously.

Mr. Thorwald moved, seconded by Mr. Feyerabend:

TO DENY EXTENDING CONFIDENTIAL STATUS OF PERMIT 1095

Motion carried unanimously.

Mr. Rauzi reported that he would send a certified return receipt letter notifying the operator that the records would become public in 60 days.

STATUS OF KINDER MORGAN CO2 PROJECT BETWEEN ST JOHNS AND SPRINGVILLE AND POSSIBLE REPORT FROM KINDER MORGAN

Mr. White reported that Kinder Morgan had concluded its testing program after testing two wells. He reported that the 10-27-31 State (Permit 1192) stabilized at 15 MMCFD and the 10-11-30 Fee (Permit 1190) stabilized at 20 MMCFD.

REVIEW OF DRILLING PERFORMANCE BONDS

Mr. Rauzi reviewed and discussed the bonds currently on file with the Oil and Gas Conservation Commission. He talked about the oldest bonds and that the Arizona Geological Survey was the agency responsible for keeping track of the bonds.

CALL TO THE PUBLIC

Ms. Lisa Atkins, State Land Commissioner and ex-officio member, introduced herself. Mr. Dixon reported that the Land Department signed a potash mineral lease with the Carlson Group.

Karlsson 10-16-15

ANNOUNCEMENTS

Mr. Rauzi announced that the Commission was scheduled to sunset July 1, 2016, and he was preparing a sunset review report. He reported that there would be a hearing this fall and he would let the Commissioners know when that was scheduled.

The Commission scheduled its next meeting at 10:00 a.m. on October 16, 2015, in room 321 at the State Land Department Building in Phoenix.

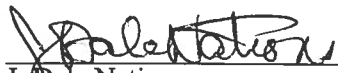
ADJOURNMENT

Mr. Thorwald moved, seconded by Mr. Cooper:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 10:25 a.m.

APPROVED



J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

- | | |
|---------------------|---|
| Ms. Lisa Atkins | State Land Commissioner and ex officio member |
| Mr. Joe Dixon | State Land Department |
| Ms. Louise Erickson | Assistant Attorney General |
| Mr. Thomas White | Kinder Morgan CO2 Company |