



Douglas A. Ducey
Governor

State of Arizona
Oil and Gas Conservation Commission

1110 W. Washington Street, Phoenix, AZ 85007

602-771-4501

www.azogcc.az.gov

Dennis L. Turner, Oil and Gas Administrator

Commissioners:
Frank Thorwald, Chair
Vice Chair -- Vacant
Stephen R. Cooper
William C. Feyerabend
J. Dale Nations, Ph.D.

**NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION
ARIZONA OIL AND GAS CONSERVATION COMMISSION**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Arizona Oil and Gas Conservation Commission (OGCC or Commission) and to the general public that the OGCC will hold a meeting open to the public on **January 12, 2018, at 11:00 a.m. in Room 3100B**, third floor of the Arizona Department of Environmental Quality, at 1110 W. Washington St., Phoenix, AZ.

AGENDA:

1. Call to order
2. Discussion, consideration, possible decision and vote by the OGCC on the Minutes of:
 - September 13, 2017 Executive Session
 - October 25, 2017 Executive Session
 - November 16, 2017 Public Meeting
 - November 16, 2017 Executive Session
3. Plug and abandonment of the SunCor #1-24 and #1-19:
 - Discussion on plug and abandonment procedures for the SunCor 1-19 and 1-24 wells in the Luke AFB – Goodyear area. SunCor proposes to plug the wells following the same proposal as approved for the Kakerlee #1-12, which was done contrary to the requirements of A.A.C. R12-7-127(C), 127(D) and 127(F).
 - The Commission may vote on any variances to the rule requirements in A.A.C. R12-7-127 for these wells.
4. Report by the Oil and Gas Administrator. The Administrator will provide updates on the following items discussed in previous OGCC meetings:
 - Status and summary of Blackstone Exploration's compliance with the Commission's December 7, 2017 Notice of Opportunity to Correct.
 - The Commission may vote on Blackstone Exploration's requests for temporary abandonment or shut-in status of their wells drilled in 2016.
 - Status of Plains LPG Services' compliance with the Commission's December 7, 2017 Notice of Opportunity to Correct.
 - Update on the oil and gas rule revisions following Mr. Thorwald's discussions with Deputy Director Bret Park:
 - The Interstate Oil and Gas Compact Commission's (IOGCC) role
 - Working with the Governor's Regulatory Review Council throughout the entire process of rule exception and rule development
 - Coordinating communications with stakeholders
 - Oil and gas viewer

5. Report by the Oil and Gas Conservation Commission Chairman

6. Call to the public: Members of the public may address the Commission during this Call to the Public. Pursuant to A.R.S. § 38-431.01(H), the Commission members may not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further discussion and decision on a future agenda.

7. Review and Consider Future Agenda Items

8. Announcements

9. Adjourn

Members of the Arizona Oil and Gas Conservation Commission will attend either in person or by telephone. The public may be afforded an opportunity to comment on any item on the agenda; however, at the beginning of the meeting, the Commission may vote to set up a time limit on individual comments. Note that the agenda items may be taken out of order at the discretion of the Commission.

NOTE: The Arizona Oil and Gas Conservation Commission may vote to hold an Executive Session, pursuant to AR.S. § 38-431 .03(A)(3) or (4), which will not be open to the public, to consult with its attorney and receive legal advice with respect to any regular agenda item listed on this agenda.

For additional information about this meeting, contact Dennis L. Turner, Oil and Gas Program Administrator, ogcc@azdeq.gov or (602) 771-4501. A copy of the agenda and background material provided to Commission members (with the exception of material relating to possible Executive Sessions) is available for public inspection at the Arizona Department of Environmental Quality, Records Management Center, 1110 W. Washington Street, Phoenix, AZ 85007, or online at <http://www.azogcc.az.gov/meetings>.

To request an auxiliary aid or service for accessible communication, please contact Sam Nuanez, (602) 771- 4192, sn3@azdeq.gov



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Public Meeting of the Arizona Oil & Gas Conservation Commission
10:00 a.m., January 12, 2018, Room 3100B

| Name / Organization – please print | email | phone |
|------------------------------------|---------------------------------|----------------|
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Arizona State Land Department
Oil and Gas Leasing Status and Summary
as of January 1, 2018

As of January 1, 2018, the Arizona State Land Department (ASLD) had on record 251 Oil and Gas Leases covering 450,604 acres of State Trust land (STL). This represents the lowest number of Oil and Gas Leases since 2006, and is down from 430 Leases on 776,655 acres at the beginning of FY2018, just six months ago. Most of this decline is attributable to Carmon Bonanno and his various companies reducing their holdings in the State over the last few years. At one point in mid-2015, Mr. Bonanno and his various companies held 302 Oil and Gas Leases on 582,093 acres. By April 7, 2017, these holdings had dropped to 183 Leases on 346,510 acres, and on January 1, 2018 were down to 65 Leases on 131,778 acres (and a few of these had expired during the last few months of 2017 but had not yet been cancelled in our land reporting system). Oil and Gas Leases still account for the second biggest use of STL, still well behind Grazing, but now not quite as far ahead of third place (Miscellaneous MOUs, IGAs, Unit Agreements, etc.) as it used to be.