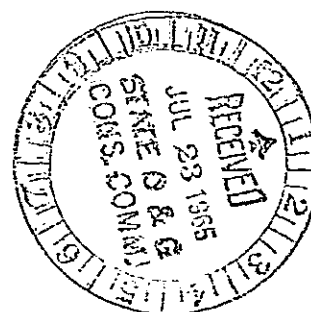


OIL AND GAS CONSERVATION COMMISSION  
Meeting: July 28, 1965  
Mr. John Bannister, Executive Secy

DEPARTMENT OF LAW  
OFFICE OF THE  
**Attorney General**  
STATE CAPITOL  
Phoenix, Arizona 85007

DARRELL F. SMITH  
THE ATTORNEY GENERAL  
WILLIAM E. EUDANK  
CHIEF ASSISTANT ATTORNEY GENERAL



July 22, 1965

Mr. John Bannister  
Executive Secretary  
Oil and Gas Conservation Commission  
Room 202, 1624 West Adams  
Phoenix, Arizona 85007

Re: Senate Bill No. 185, Chapter 38,  
Twenty-seventh Legislature, First  
Regular Session (A.R.S. 27-501,  
as amended)

Dear Mr. Bannister:

This will acknowledge receipt of your letter dated May 7, 1965, regarding the above referred to Bill. You direct our attention to Definition No. 20 on page 3 of the Bill (A.R.S. 27-501.20), which amends the definition of "Well" to read as follows:

"20. 'Well' means and includes any hole drilled or spudded in for the purpose, with the intention, or under the representation of penetrating oil or gas bearing strata, or of penetrating any strata in search of stratigraphic data pertinent to the location of oil or gas bearing strata, whether or not in either case, oil or gas is actually discovered. The commission may, as it shall deem to be to the best interests of the state, determine that any hole drilled or spudded in shall be included within the above definition to the extent necessary for the administration and enforcement

Oil and Gas Conservation Commission  
July 22, 1965  
Page Two

of the rules required by section 27-516. The determination of the commission shall be final in any circumstance involving the question of purpose, intent or representation provided such determination shall be subject to appeal as provided by section 27-526."

Your letter states that:

1. The Bill was sponsored by the Oil and Gas Commission for the purpose of correcting certain attempts to evade its rules and regulations with respect to wells drilled in search of oil, gas and helium, but announced by the driller to be in search of potash or other minerals not within the jurisdiction of the Commission. There have been numerous instances in the past where this has occurred and where known productive, as well as potentially producing, horizons were penetrated.
2. The Commission does not know the location of any of these holes, does not know if the penetrated formation was properly protected, nor was extremely valuable geological information collected by any agency of the State.
3. In order to correct this situation, protect against possible waste, and collect valuation geological information, the Commission sponsored the Bill with the intention of making penetration of a known or potentially producing horizon the sole prerequisite necessary for it to exercise its jurisdiction.

On behalf of the Commission you request an opinion from this office on the following questions:

"(1) In view of the new definition of well,

Oil and Gas Conservation Commission  
July 22, 1965  
Page Three

may the Commission determine and declare that any hole drilled or spudded in within a certain and described area and reaching a certain depth or penetrating a specified formation, shall be included within the definition to the extent necessary for administration and enforcement of its rules and subject to the prescribed penalties?

"(2) If the answer to Question (1) is in the affirmative, may the determination and declaration of the Commission be made by publication and, if so, is sufficient notice to all concerned thereby achieved?

"(3) If the answer to Question (2) is in the negative, must the Commission hold a public hearing on such a determination before said determination would become final and effective?

"If the answer to this question is in the affirmative, when and in what manner should a hearing be conducted?

"(4) In the event the answer to Question (1) is negative, then when the Commission determines that a particular hole comes within the definition of well, is it necessary for the Commission to allow a person adversely affected by, or dissatisfied with the determination, a hearing before the Commission before attempting to administer and enforce its determination?

"(It should be kept in mind in answering Question (4) that if the Commission must allow a

Oil and Gas Conservation Commission  
July 22, 1965  
Page Four

hearing prior to enforcing its determination, the well could be completed and possible damage done, and the purpose of the hearing defeated by the delay necessarily involved.)."

The new definition of "Well", supra, includes any hole drilled or spudded in for the purpose, with the intention, or under the representation of (1) penetrating oil or gas bearing strata or (2) of penetrating any strata in search of stratigraphic data pertinent to the location of oil or gas bearing strata, whether or not in either case, oil or gas is actually discovered. The new definition vests authority in the Commission to determine that any hole drilled or spudded in shall be included within the definition of "Well" to the extent necessary for the administration and enforcement of the rules required by A.R.S. 27-516. The new definition states that such a determination by the Commission shall be final in any circumstance involving the question of purpose, intent or representation, provided such determination shall be subject to appeal as provided by A.R.S. 27-526. It is our belief that this latter provision was a "clerical" error and that the proper appeal provision should be A.R.S. 27-520, as amended. We have so advised the Legislative Council of our belief in this respect.

Referring to Questions (1), (2) and (3), supra, it is the opinion of this office that the authority of the Commission to make an "area determination" is highly questionable and one that would be difficult to sustain in any court action. Although the Commission is vested with broad statutory authority, we do not view such authority to extend to this type of determination. We can understand and sympathize with your personnel and enforcement problems. However, we suggest that the Commission obtain specific legislative authorization before it attempts to make an "area determination". In this regard, it is interesting to note that the State Land Department has obtained specific statutory authorization to desig-

Oil and Gas Conservation Commission  
July 22, 1965  
Page Five

nate ground water basins and critical ground water areas.  
See A.R.S. 45-301 et seq.

If the Commission elects to make an "area determination" on the basis of its present authority, then such a determination must be based upon known and provable geographic and geological facts and data. In addition, such a determination cannot be arbitrary, capricious or unreasonable. If the Commission elects to make an area determination, it must hold a public hearing before such a determination can become final and effective. An area determination would be in the nature of an order as provided in A.R.S. 27-516.B, as amended, and therefore would require a public hearing in the manner provided in this section.

Referring to Question (4), supra, it is the opinion of this office that if the Commission determines that a particular hole drilled or spudded in shall be included within the definition of "Well" to the extent necessary for the administration and enforcement of the rules required by A.R.S. 27-516, it is not necessary for the Commission to allow a person adversely affected by or dissatisfied with such a determination a hearing before attempting to administer and enforce its rules. Such a determination by the Commission is final and a person adversely affected by or dissatisfied with the determination has an adequate remedy of appeal pursuant to A.R.S. 27-520, as amended.

We trust this has been of some assistance to you. If you have any further inquiry in regard to this matter, please do not hesitate to call upon us.

Very truly yours,

DARRELL F. SMITH  
The Attorney General

*Jerry W. Lawson*  
JERRY W. LAWSON  
Assistant Attorney General

JWL:mr



SAMUEL P. GODDARD  
GOVERNOR

LYNN LOCKHART  
CHAIRMAN

R. KEITH WALDEN  
VICE CHAIRMAN

ORME LEWIS  
MEMBER

LUCIEN B. OWENS  
MEMBER

GEORGE T. SILER  
MEMBER

OFFICE OF

## Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5161

JOHN BANNISTER  
EXECUTIVE SECRETARY

J. R. SCURLOCK  
PETROLEUM GEOLOGIST

### A G E N D A

Meeting  
July 28, 1965  
Commission Hearing Room  
Room 204

9:30 a.m.

#### Call to order

1. Approval of minutes ✓
2. Approval of report by ✓  
Executive Secretary
3. Approval of report by \_\_\_\_\_  
Geologist
4. Old business:
  - a. A.G. opinion on new  
definition *Civil Defense Test*
5. New business *Duval Test Rules*
6. Adjourn

*Sel Rules*  
*9-29 at 9:30AM*  
*9-29 at 2:00PM*



*Rules*

OIL AND GAS CONSERVATION COMMISSION  
1624 West Adams - Suite 202  
Phoenix, Arizona

Minutes of Meeting  
May 26, 1965

Inasmuch as a quorum could not be present, the meeting scheduled for this date was cancelled.

The next meeting is called for June 9, 1965, to serve as a combined May-June meeting.

Lynn Lockhart, Chairman

OIL AND GAS CONSERVATION COMMISSION  
1624 West Adams - Suite 202  
Phoenix, Arizona

Minutes of Meeting  
June 9, 1965

Commissioners present:  
Lynn Lockhart, Chairman  
R. Keith Walden  
L.B. Owens  
George T. Siler

Others present:  
John Bannister, Executive Secretary  
J.R. Scurlock, Geologist  
Senator Fred Udine  
Mr. Loy Turbeyville

Commissioners absent:  
Orme Lewis

Chairman Lockhart called the meeting to order at 9:30 a.m.

Mr. Lockhart acknowledged the presence of Senator Udine and stated the appreciation of the Commission for his taking time from his busy schedule to attend. Mr. George T. Siler, newly appointed Commissioner was welcomed.

Mr. Walden moved, and the motion carried, that the minutes of the previous meeting, April 28, 1965 be approved.

Mr. Walden moved, and the motion carried, that the report of the Executive Secretary be approved.

Mr. Walden questioned Mr. Scurlock's statements in the minutes of the previous meeting and asked if the statements concerning export of helium to the Free World were hearsay or did he have facts. Mr. Scurlock replied that his information was hearsay, but it probably could be confirmed by contacting the U.S. Bureau of Mines in Amarillo.

Mr. Bannister mentioned that there was talk about releasing helium from the list of strategic materials.

Mr. Walden stated his interest in this point was of the other implications, such as ArkLa backing out of building their plant, implications with respect to the future of Arizona, whether the market is drying up, etc.

Mr. Bannister pointed out that ArkLa was backing out because their exploration did not find sufficient quantities of helium. The Kerr-McGee plant was running at approximately 60% capacity. The Kerr-McGee reserves are committed. If there were an increased demand, Kerr-McGee could double their production, processing gas from Navajo Springs. Kerr-McGee wanted to take 12,500 MCF from the Barfoot well, but it started coning. Eastern, to meet its contract, had to tie in other wells to prevent the pull-down of that one well. There is no confirmation, but it is felt that Eastern is going to have to go into a long term contract with Kerr-McGee.

Minutes of Meeting  
June 9, 1965  
Page 2

Senator Udine commended Mr. Siler to the Commission and asked to be excused.

Report of the Geologist was accepted.

Mr. Bannister commented that the University of Arizona and Museum of Northern Arizona often sponsored geology trips and that he felt Mr. Scurlock should go on as many of these as possible, that he was getting a great deal of information from these trips.

Mr. Scurlock reported in greater detail on the last trip to Canyon de Chelly and the Grand Canyon and commented that northeastern Arizona was a tremendous laboratory for geology.

In reply to Mr. Walden's question about further developments at the Ferrin well, Mr. Bannister replied that the cement job had been bad, but that Mr. Ferrin was re-cementing to test the zones. Mr. Ferrin will notify the office when he is ready to test.

Mr. Bannister also reported that the Willett well, southeast of Flagstaff, had spudded on June 6 and that another well, by Ari-Mass Gas and Oil Company, was spudded on June 5 near Picacho. Mr. Walter Smith is active in this latter firm and also was associated with the Harless operations. Mr. Don Chene, who had also been associated with the Harless operations, is also connected with this company. Harless himself has some acreage in the area. There are four big blocks of about 105,000 acres. Mr. Bannister stated that he had been told that 1/64 of a section was being sold for \$5,000. A lot of money from Massachusetts seems to be involved in this. Right now they are looking for gas.

Mr. Scurlock reported that a man from the Bureau of Reclamation stated their seismic information shows the basement to be around 6,000 feet. This company indicates they plan to drill to 3,000 feet. Mr. Scurlock feels the possibilities of oil in this area are almost negligible. The main reason being that there are no marine deposits in this area.

Mr. Walden pointed out that they would be looking for gas and Mr. Scurlock replied that sometimes they find in this so-called "valley fill" sands washed in recently from the mountains. Ranchers are getting water from this. They will get puffs of marsh gas. It will never be commercial. Sometimes when people report they get shows of gas in this area it could be this marsh gas.

There was some further discussion of the Ari-Mass Gas and Oil Company operation in relation to the geological information.

Minutes of Meeting  
June 9, 1965  
Page 3

Mr. Owens asked whether, in connection with the Application for Permit to drill, do we get information as to the interested parties in a company or ganization. Mr. Bannister replied that an Organization Report is a required part of the Application and it shows the corporate structure. Our prime interest is who is legally responsible and this report gives us that information. The concern of selling oil and gas leases, etc., is the concern of the Securities Division of the Corporation Commission.

Mr. Owens questioned whether anything has materialized concerning action with the Attorney General and the bonds. Mr. Bannister replied that the office had been in contact with the Attorney General's office and that it was agreed he should go to the bond companies and request action. Mr. Bannister intends to organize all the work to be done in a certain area and go to the bond companies concerned and suggest to them that they cooperate and get one person to do all the work and thereby perhaps getting it done cheaper and more efficiently.

Mr. Bannister reported that, on the interpretation by the Attorney General's office on the new definition of "well", an initial draft had been prepared and it was now circulating in the Attorney General's Office because other State departments may have an interest in it and therefore the opinion is going to have close scrutiny.

Mr. Walden recalled previous discussion about holding a meeting at the University of Arizona. It was suggested that the August meeting be held there and Mr. Bannister was instructed to contact Dean Forrester, University of Arizona, to make arrangements for this meeting. Mr. Lockhart suggested that the Governor be invited to the Tucson meeting.

Mr. Bannister reported that the Geology Department, University of Arizona, will cooperate in preparing a publication of a structural study of the State, similar to the Oil, Gas and Helium brochure, for general circulation. The Arizona Development Board will publish it.

Mr. Walden asked whether there was more information about drilling activity on the Black Mesa. Mr. Scurlock replied that Atlantic had spudded and he would be going up to inspect it shortly; and that we had no current nor definite information about the Kerr-McGee well.

Concerning the four companies on the Hopi Reservation, it is Mr. Bannister's understanding that these companies will exchange information. The information on the three wells already completed was disappointing but apparently the operators are not too discouraged.

Minutes of Meeting  
June 9, 1965  
Page 4

In reply to Mr. Walden's question as to whether there was any indication of oil or gas, Mr. Scurlock replied they had furnished no information.

Mr. Owens commented that to him this seemed to be an exploratory program. Mr. Bannister pointed out that most of these companies had seismic information about the area, and now with the information as the result of this drilling they are better informed about this area.

There was some further <sup>dis</sup>cussion of drilling exploration in Arizona.

Mr. Bannister reported that, roughly, we got what we asked for in our budget except for salaries. In that category we received only an increase of \$500. Previously we had discussed salary raises. The budget was approved on the premise that no raises would be granted. The \$500 increase was perhaps for commissioners to allow for additional duties. Out of the \$29,500 granted for salaries, the anticipated salary raises could be granted and still have a two hundred dollar surplus. In checking with the Post Auditor, the Post Auditor stated that if a lump sum is granted, as it was in this case, the money may be used at the discretion of the Commission.

Motion was made by Mr. Walden, and passed, that this be tabled, that no decision be made at this time, and that it be taken up at the next meeting.

Mr. Bannister reported that the Commission had recently received a complimentary letter from Kerr-McGee concerning the new legislation re-defining a well.

Mr. Owens stated he felt that with the new legislation and with changes to the Rules and Regulations, we are getting in a position to do a good job.

There followed a discussion of the value of the Commission to Arizona and the significant oil exploration and production in Arizona, other states, and in foreign countries.

Mr. Bannister reported that Truett Henderson is planning an exploration program for helium on Spurlock land.

Mr. Bannister suggested that either the September or October meeting be called for a hearing concerning changes to the Rules and Regulations that might cause some controversy. The majority of the changes suggested should cause no controversy in that the changes are to bring the Rules and Regulations into accord with the Statutes, and to eliminate conflicts within the Rules and Regulations themselves. The two changes that will cause controversy will be, first on changing the amount of bond. The other controversial change might be in requiring that a plat by a registered surveyor be furnished to us. This won't bother the

Minutes of Meeting  
June 9, 1965  
Page 5

major companies because as a matter of course they use registered surveyors.

Mr. Walden was excused.

It was agreed that the September meeting be held in conjunction with a hearing on the changes to the Rules and Regulations and that Mr. Bannister would prepare and mail to the Commissioners, in advance, all the changes so that after the hearing the Rules and Regulations would be ready in entirety for printing.

Mr. Bannister reported that a Civil Defense disaster exercise would be held on June 30 and that on June 10 he and Mr. Scurlock would speak at a meeting of the American Association of Engineers to bring them up to date on exploration within the State.

Mr. Bannister mentioned he had heard nothing further on HB-28, a severance tax bill. Mr. Lockhart and he had appeared before the two Legislative Committees in connection with this bill. Mr. Lockhart pointed out that with the ending of that special session of legislature this bill was dead.

Meeting adjourned at 11:15 a.m.

APPROVED July 28, 1965:



SAMUEL P. GODDARD  
GOVERNOR

LYNN LOCKHART  
CHAIRMAN

R. KEITH WALDEN  
VICE CHAIRMAN

ORME LEWIS  
MEMBER

LUCIEN B. OWENS  
MEMBER

GEORGE T. SILER  
MEMBER

OFFICE OF

# Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5181

JOHN BANNISTER  
EXECUTIVE SECRETARY

J. R. SCURLOCK  
PETROLEUM GEOLOGIST

July 20, 1965

Memo to: Commissioners  
From: John Bannister, Executive Secretary  
Re: Report of Activities

The fiscal year of 1964-65 ended June 30. All requirements to properly close out the year have been met and the proper inventory of equipment duly submitted.

Inasmuch as final financial figures from the Auditor's Office will not be available until the end of July, no final statement is hereby submitted. During our August meeting a financial statement for the Commission for the past year will be submitted.

The well being drilled by Ram Oil Company in Graham County will be turned over to the land owner as a water well. Ram failed to meet its depth requirement and it is anticipated that Ram will now cease operations within the State.

The Pure-Sun-Tidewater #1 Navajo 103 and Kerr-McGee #1 Navajo wells, both on the eastern boundary of Arizona, have been plugged.

A telephone call on July 9th from Atlantics Production Supervisor, indicates that while they were still logging their #1 Hopi well, it is expected that the well will be plugged, and at a later date the Hopis will convert it to a water well.

The Willett #1 State well being drilled southwest of Flagstaff by John Petty is currently drilling at close to 2,000 feet.

The Ferrin well, northeast of Winslow, has been perforated but no results have been announced as yet.

The Ari-Mass well being drilled east of Picacho is drilling at approximately 450 feet.

Since the last report the following applications have been received:

- 317: Ari-Mass Gas & Oil #1 State, S8-T8S-R10E,  
Pinal County
- 318: Apache Drilling Co. #1 Spurlock Wetzler Fee,  
S23-T19N-R26E, Apache County
- 319: Apache Drilling Co. #1 State, S22-T19N-R26E,  
Apache County
- 320: Walker Bros. #1 Lansdale Fee, S17-T19N-R26E,  
Apache County

Application 319 request permission to re-enter the old Teil Development Co. well. The permit has not been issued pending clarification from the State Land Department as to their desire concerning this well.

It is understood that Apache Drilling Company will drill the well for Walker Bros.

The Executive Secretary has taken two weeks vacation, from July 12 thru July 23. Other vacation schedules have not been specifically arranged, but the office will be manned at all times.

The 1960 Ford owned by the Commission and used by the Executive Secretary has been traded in for a 1965 Dodge. The new car has been properly registered and insurance carriers notified of this change.

May I remind you that the November Commission meeting has been tentatively set for November 17 in Tucson and you will be notified of further arrangements.

SAMUEL P. GODDARD  
GOVERNOR

LYNN LOCKHART  
CHAIRMAN

R. KEITH WALDEN  
VICE CHAIRMAN

ORME LEWIS  
MEMBER

LUCIEN B. OWENS  
MEMBER

GEORGE T. SILER  
MEMBER



OFFICE OF

## Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5161

JOHN BANNISTER  
EXECUTIVE SECRETARY

J. R. SCURLOCK  
PETROLEUM GEOLOGIST

July 20, 1965

Memo to: Commissioners  
From: James R. Scurlock, Petroleum Geologist  
Re: Report of Activities

### June 21, Winslow

Ferrin has temporarily shutdown, awaiting an unfavorable lease situation to clear up. He feels that he probably has a good well (either oil in the lower sands or helium in the uppermost Coconino sand) and that he should attempt to acquire more leases in the area before testing his well further.

### June 22-June 25, Payson, Showlow, Cibecue and vicinity

Geological field trip with Dr. Wes Peirce, Arizona Bureau of Mines. Examined outcrops along the Mogollon Rim country.

### July 8, Navajo

Visited Apache Drilling Co. well, Sec 23-19N-26E. Running a drill stem test in the Shinarump. Apache's idea is to re-examine the possibility of helium reserves in the Shinarump in this area.

### July 9, Keams Canyon

Atlantic #9-1 Hopi. Total depth 6,640 feet. Logging and preparing to plug.

### July 10, Flagstaff

Willett SDD #1 State. Drilling 1832 feet. Cable tools.

STATEMENT OF LEDGER TRANSACTIONS  
MAY 1965

	Expenditures to date	Outstanding Encumbrances	Expenditures May 1965	Appropriation	Unencumbered Balance
Personal Services: Staff Commissioners			\$ 2,050.00		
TOTAL	\$24,675.00		\$ 2,050.00	\$ 29,000.00	\$ 4,325.00
Current Expenditures Other:					
Telephone		\$ 22.99	\$ 94.91		
Miscellaneous		109.67	131.36		
Printed forms	\$ 3,986.19	\$ 132.66	\$ 226.27	\$ 6,350.00	\$ 2,069.08
TOTAL				\$ 6,350.00	\$ 2,069.08
TOTAL Subscription/Organization Dues	\$ 120.20		\$ 5.00	\$ 150.00	\$ 29.80
Travel-State: Staff Commissioners		\$ 425.00	\$ 60.00		
Gasoline/oil/repairs	\$ 3,190.46	\$ 140.68	\$ 92.92	\$ 5,000.00	\$ 1,143.86
TOTAL		\$ 665.68	\$ 152.92	\$ 5,000.00	\$ 1,143.86
TOTAL Travel-out of State	\$ 2,034.16	\$ 50.00		\$ 2,500.00	\$ 415.84
TOTAL Capital Outlay Equipment	\$ 679.15	\$ 61.46		\$ 685.00	\$ 5.85
TOTAL Current Fixed Charges	\$ 210.39	\$ 20.07		\$ 350.00	\$ 119.54
TOTAL Professional Services	\$ 257.60			\$ 1,500.00	\$ 1,242.40
TOTAL Museum Northern Arizona	\$ 2,500.00		\$ 625.00	\$ 2,500.00	
TOTAL Arizona Bureau Mines	\$ 2,500.00			\$ 2,500.00	
TOTALS	\$40,091.69	\$ 1,091.94	\$ 3,063.06	\$ 50,535.00	\$ 9,351.37
LUMP SUM	\$ 60.79			\$ 61.21	\$ .42
RECEIPTS	to date \$ 725.00	May \$50.00			\$ 7,770.25

STATE OF ARIZONA  
OIL, GAS & HELIUM PRODUCTION  
MAY 1965

<u>Producer</u>	<u>Well Name</u>	<u>Field</u>	<u>Formation</u>	<u>Barrels</u>	<u>Production</u>	<u>Cumulative</u>
<u>O I L</u>						
Humble Oil & Refining Co	Navajo E1	E Boundary Butte	Paradox	99	499	30,108
	Navajo 1	"	"	286	843	33,682
Monsanto Chemical Co.	Navajo 138 #1	Dry Mesa	Mississippian	684	2,503	125,736
	Navajo 138 #3	"	"	1,980	10,306	149,550
Pan American Petroleum Co.	Navajo F #1	Undesignated	Paradox	plugged	0	6,900
	Navajo O #1	"	Ismay	273	1,628	2,633
Shell Oil Co	Navajo 23-11	E Boundary Butte 8	Paradox	308	948	10,371
	Franco Wyo Navajo 1	North Toh Atlin	"	0	32	678
The Superior Oil Co.	Navajo H #14-16	Twin Falls Creek	"	0	19	609
Texaco Inc	Navajo AG #1	Walker Creek	Devonian	1,525	7,867	49,349
				5,155	24,645	409,616
<u>TOTAL OIL</u>						
<u>H E L I U M</u>				<u>M C F</u>		
Kerr-McGee Oil Industries	Fee #1 Unit III	Pinta Dome	Cocconino	7,156	34,003	279,954
	Fee #2 Unit VIII	"	"	11,775	49,846	248,899
	State #1 Unit VI	"	"	5,570	25,418	153,981
	State #3 Unit IV	"	"	59	312	5,942
	State #2 Unit V	"	"	21,161	86,241	540,018
	State #4 Unit I	"	"	413	1,988	46,779
	Barfoot State #1	Navajo Springs	"	4,272	17,740	40,346
	State 1-28 Unit II	"	"	10,602	45,052	230,952
	State 1-10 Unit X	Pinta Dome	"	864	4,235	25,645
	State 1-2 Unit IX	"	"	3,214	17,583	100,389
				65,086	282,418	1,672,905
<u>TOTAL HELIUM</u>						
<u>N A T U R A L G A S</u>						
Humble Oil & Refining Co.	Navajo 1	E Boundary Butte	Paradox	39,006	114,032	693,485
	Navajo E1	"	"	2,116	14,079	469,415
El Paso Natural Gas Co	Navajo Bita Peak #1	Bita Peak	"	20,177	289,653	716,591
Pan American Petroleum Co.	Navajo O #1	Undesignated	Ismay	9,683	164,957	328,314
	Navajo 23-11	E Boundary Butte 8	Paradox	28,803	112,275	604,565
Shell Oil Co	Navajo #2	E Boundary Butte 7	"	23,922	87,994	362,738
	Franco Wyo Navajo 1	North Toh Atlin	"	5,932	29,878	521,178
	Navajo H 14-16	Twin Falls Creek	"	814	20,999	170,506
				130,453	833,867	3,866,792
<u>TOTAL NATURAL GAS</u>						

SAMUEL P. GODDARD  
GOVERNOR

LYNN LOCKHART  
CHAIRMAN

R. KEITH WALDEN  
VICE CHAIRMAN

ORME LEWIS  
MEMBER

LUCIEN B. OWENS  
MEMBER



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5161

JOHN BANNISTER  
EXECUTIVE SECRETARY

J. R. SCURLOCK  
PETROLEUM GEOLOGIST

June 16, 1965

Memo to: Commissioners  
From: John Bannister, Executive Secretary

At our meeting on June 9, 1965 I was instructed to contact Dean Forrester, University of Arizona, Tucson, concerning the possibility of the Commission having a meeting in Tucson in August.

I have on this date received a telephone call from Dean Forrester and he suggests that our meeting in Tucson be set for November 17, rather than August.

I have checked with the Chairman of the Commission and he advises that this date is suitable and consequently November 17 has been confirmed with Dean Forrester.

Would you please advise this office of the possibility of your attendance at the meeting in Tucson in sufficient time to make the necessary motel reservations, etc.

mr

### Arizona wildcat is dry hole

ONE of the most closely watched wildcat campaigns in the Southwest in years has some bad news to post.

Amerada Petroleum Corp. quit at 1 Hopi-5075 in SE NE 8-29n-19e. This granite test lies on the Hopi Reservation in Navajo County, northeastern Arizona. Total depth is 7,750 ft. No more data are out. The dry hole is 80 miles southwest of oil production at Walker Creek. It is the first bad-luck story since the sales of 1963 and the four wells that were slated for the area.

But there are also gloomy reports that both the Texaco Inc. 1 Hopi Tribe-A in NW NW 15-26n-16e and the Skelly et al. 1 Hopi Tribe-A in SW NE 35-30n-17e were failures. Atlantic Refining Co. hasn't started yet on its attempt at 1 Hopi-9 in SW SE 9-28n-15e. This will be a granite 7,000-ft test.

There was much hubbub earlier in the year with reports that so much exploration was on its way to Hopi-land. These dry holes may maim things for awhile, but four holes won't tell the story. There is still much territory in the middle of Black Mesa basin that needs the drill. The opening of Hopi lands to the drill was a big step in finding oil in this region. A little dust won't slow things down for long.

June 9, 1965

Congressman Wright Patman thinks he is in charge. If you disapprove of his activities regarding such issues as the chain store bill, LIFE LINE, Senator William Robertson's (D-Va.) Bank Merger Bill and the Federal Reserve Bank, please rewrite and sign or feel free to reproduce and distribute this material.

H. L. Hunt

Intelligence Digest - July, 1963

Excerpts from pps. 8, 9 and 10.

### A Dangerous Organisation

A dangerous organisation in America is Group Research, Inc., of Washington, D.C. This is allied with some of the most active agencies engaged upon destruction of the Conservative and anti-Communist movement. The present campaign of this agency is to spy out all Conservative speakers and have them blackballed by the Press.

Editors and broadcasters should be visited with facts about right-wingers which they presumably do not have at hand. They should be urged to publish such material.

(COPY OF COLUMN SENT TO HER NEWSPAPER SUBSCRIBERS BY EDITH KERMIT ROOSEVELT.)

WASHINGTON—The name "Group Research, Inc." sounded intriguing. I decided to look into it. I have been a reporter for more than a decade but this gave me a new experience.

Wesley McCune, head of the three-room office, was out. While awaiting his return, I noticed a wall chart. When I began taking notes, the staff of three girls leaped up suspiciously and a young man came from an outer office. The scene ended with me being ordered to leave.

Next day, I tried again, and met McCune. He gave me a velvety welcome which turned to harsh negatives when I began to ask questions.

Group Research, Inc. has been quietly operating for more than a year. Only last month, a syndicated newspaper dispatch said the organisation was investigating where and how "right-wing" groups got their financial backing. An informant told me it specialised in accumulating dossiers on anti-Communists and so-called "right-ists." When anti-Communists do this, it is called a black list.

My decision to do some researching into Group Research, Inc. was hastened when I was told that its headquarters at room 422, 1401 New York Ave., N.W., was crammed with filing cabinets—one of which contained a card about Edith Kermit Roosevelt.

I wondered why the dossier on me included such details as that I had "discussed the folly of shipping foreign aid to India".

Why should this go into a record in an office listing itself as "non-profit" and "educational"?

I was in eminent company. Also listed are writers, educators and scholars of world renown. Dr. Wilhelm Roepke, who helped guide West Germany's miraculous post-war economic recovery, is one. Why? Also anyone who was a sponsor of groups like Young Americans for Freedom or is listed on the masthead of publications such as Modern Age. This academic-type quarterly features contributions by such "extremists" as Philip E. Mosely, director of studies, Council on Foreign Relations, New York, Msr. J. M. Lally, Editor of the Pilot, and Louis L. Gerson, Professor of Political Science at the University of Connecticut.

Who compiles this "educational" information? McCune was assistant to Charles F. Braman when he was Secretary of Agriculture, and later was public information officer of the National Farmers' Union.

Group Research's certificate of incorporation is signed by two Washington attorneys: Daniel M. Singer of 5410 39th St., N.W., and James H. Heller of 3916 Ingomar St., N.W. Heller is secretary of the Washington chapter of the American Civil Liberties Union, which vigorously opposes dossiers on pinkos and pro-Reds.

The chart in this office listed a dozen organisations opposed to communism, such as the Farm Bureau Federation, the Association of American Physicians and Surgeons, Freedoms Foundation at Valley Forge, American Security Council, American Committee for Aid to Katanga Freedom Fighters, American Enterprise Association, Young Americans for Freedom, Committee Against Summit Entanglement, Harding College, and the Foundation for Economic Freedom.

Above these names were colored balloons bearing the labels "racism," "book-burners," "bogey of inflation—the balanced budget," "pro-military," "anti-Cuban extremists," "anti-UNICEF," "anti-semitic," "anti-medicare," "states rights primitives," "censorship," and "anti-federal aid to education".

As I copied this, the young man came forward. He bluntly asked me to leave. "We don't want publicity," he explained. The receptionist, a blonde with an up-sweep hair-do, declared: "This is a private organisation. You aren't supposed to take inventory. We told you to leave."

I saw fear in her eyes, mingled with hate. Of what? What was there to hide?

One of the questions I naturally asked McCune was: "For whom are you compiling these names and data?" I pointed to the 100 filing cabinets and drawers lining the offices. "That's my business," he said.

"Who are the people behind your group?" "That's my business," he said.

This secretiveness and the smug labels on the chart raised many questions. I thought of the curiously synchronised campaign alleging the wealth of anti-Communist groups, broadly implying that anti-Red leaders were raking in huge profits. These smears are false but they dried up many contributions, forcing serious cut-backs in the work of these anti-Communist groups.

A final question: "Who pays for 'Group Research'?" I asked McCune. He said: "That's my business."

I think it is my business and that of the public!

(COPYRIGHT, 1963, by Edith Kermit Roosevelt Syndicate, Suite N 324, 800 Fourth St., S.W., Washington 24, D.C.)

Note: For the purposes of Group Research, Inc., "Right Wing" means anti-Communist and Conservative.

Further information about this highly dangerous organisation with its far-reaching affiliations may be had from Edith Kermit Roosevelt, Suite N824, 800 Fourth Street S.W., Washington 24, D.C., or from Edward Hunter, 320 N. George Mason Drive, Arlington, Va.

EXCERPTS FROM WRIGHT PATMAN'S RECENT PUBLIC STATEMENTS:

September 4, 1964

BY JOHN MORT

Chronicle Washington Bureau

Washington — Rep. Wright Patman of Texarkana said today that H. L. Hunt's Life Line Foundation is a "clear case" of abuse of tax exemption privileges and called on Internal Revenue Service officials to revoke them.

"I can't for the life of me see why you are hesitating on this at all," Patman said at a House subcommittee meeting.

Patman's remarks were part of an all-out attack made on the IRS in its handling of tax exempt foundations.

### "Do Nothing"

"It is the most impressive record of do nothing that I have seen in my 36 years in Congress," he said. "When it comes to the proper policing of tax exempt foundations, the IRS appears to be totally impalled in the quicksands of absolute inertia."

Sunday, October 20, 1963

Washington Bureau of The News  
WASHINGTON — Tax-exempt foundations came under fire from Rep. Wright Patman of Texarkana again Saturday.

Patman, chairman of the subcommittee conducting the study, charges the Treasury Department with "splendidly ineffective supervision and malfeasance" in regulating foundations. Performance of the Internal Revenue Service, responsible for auditing the books of the foundations, is described as "a complete, dismal failure."

"There are sufficient grounds to doubt the competence and the effectiveness of the Internal Revenue Service in auditing the tax returns of foundations," he added.

The "enormous concentration of economic power among foundations" is resulting in an "erosion of our tax base impairing the revenue of the federal government," the Texas congressman said in summing up the findings of the current study.

"Ours . . . is a call for action."

Acting Internal Revenue Commissioner Bertrand Harding said it is "extremely hard" to check such items when reviewing a large company's tax return.

"For some reason, a number of Treasury and IRS officials feel compelled to cover up the propaganda peddling of the elite bureaucrats of the large foundations, their gravy train and their inefficiency."

At another point in the proceedings, Patman said: "Personally I'm fed up with the focus pocus employed by Treasury and IRS officials."

From: NEW YORK TIMES, January 1939  
"MOVE TO 'SMEAR' HIM SEEN BY PATMAN"  
"He Says Chain Stores Have 'Lobby Worth  
\$100,000,000'"

"Special to NEW YORK TIMES - Washington, Jan. 24  
- Representative Wright Patman of Texas shouted  
a heated denial in the House today of published  
reports that he received \$18,000 from McKesson &  
Robbins, Inc., New York wholesale drug firm, for  
making speeches in support of the Robinson-Patman  
Act and Mr. Patman's anti-chain store bill.

Mr. Patman charged that chain-store interests  
were seeking to "smear him" and that they had a  
lobby "worth \$100,000,000." He said he had done  
nothing wrong in making speeches under the aus-  
pices of a lecture bureau, in explaining the  
Robinson-Patman Act. He said that during 1936  
he did not speak in favor of a bill to tax chain  
stores because he had not introduced such a  
measure at that time.

Mr. Patman said at the time he was making the  
speeches he did not know F. Donald Caster, who  
recently committed suicide when officials started  
an investigation of the crude drug department of  
McKesson & Robbins. Later, he said, he met Caster.

Mr. Patman, at the start of a lengthy speech, had  
denied, in answer to an inquiry by Representative  
Leo E. Allen of Illinois, the charges published  
by the CHICAGO TRIBUNE that he had received  
\$18,000 for his lectures.

But Representative Sam C. Massingale of Oklahoma  
and Edward E. Cox of Georgia, said they felt Mr.  
Patman's denial would be more convincing if more  
specific. Then Mr. Patman said that he had re-  
ceived not more than \$5,000 in 1936 for his lec-  
tures, and less than that figure in other years.

He said that McKesson & Robbins was interested  
solely in seeing that the Robinson-Patman Act  
was enforced among all drug concerns.

Mr. Patman charged that New York chain stores had  
sent an investigator to his home in Texarkana,  
Texas, to investigate him and that the investi-  
gation disclosed that he owed as much money as he  
did when he entered Congress ten years ago.

He asserted that a circular letter distributed by  
a legal consulting firm of which Mrs. Virginia  
Jenckes, former Representative from Indiana, is  
a member, was "absolutely false." The letter  
made several charges relating to Mr. Patman's  
activities in behalf of chain store taxation. END

St. Louis Globe-Democrat  
April 14, 1965

#### Life Line Cut

To the Editor:

A local newspaper carried an  
Associated Press item that the  
Life Line Foundation (spon-  
sored by H. L. Hunt, Dallas,  
Tex.) lost its tax exemption  
privileges because it had prop-  
agandized on such issues as  
federal aid to education, medi-  
cal care, urban renewal, indis-  
criminate taxation, United Na-  
tions and racial integration.

The Life Line was  
chartered in 1938, as a non-  
profit, educational organiza-  
tion, dedicated to the fulfill-  
ment of the concepts upon  
which this country was built.  
I have been sending this patri-  
otic group material on many  
subjects, but nothing on racial  
matters. Nor has the founda-  
tion mentioned anything about  
the race problem in any of its  
broadcasts.

I challenge Wright Patman  
and Sheldon Cohen to prove  
anything to the contrary.

Life Line Foundation should  
be tax-exempt, but the Fund  
for the Republic Foundation,  
Garland Fund Foundation,  
Ford Foundation, Rockefeller  
Foundation, and the Carnegie  
Foundation should not be tax-  
exempt because they have  
been, and are, financing Marx-  
ian and Fabian Socialist organ-  
izations.

C. J. PAUL ERICKSON  
P. O. Box 3743  
Capeateau Station

April 5, 1965

Benton Harbor, Mich

#### OBJECTS TO RULING

Editor,  
The News-Palladium:

As one of many local listen-  
ers to H. L. Hunt's "Lifeline"  
radio program, I do strongly  
object to the Internal Revenue  
Service ruling of revoking his  
tax-exempt status.

Anyone who will bother to  
listen to "Lifeline" on WEAW  
1330 on your radio dial at 9:45  
a.m. and 1:30 p.m. and will  
compare this program's polit-  
ical education service with  
those of other tax-exempt  
organizations, can not help but  
feel that the IRS is very dis-  
criminatory.

I am writing this letter in re-  
gard to your small notice in  
the N-P of 3-30-65 on page eight.  
I sincerely hope and pray that  
many more people will listen  
to "Lifeline."

CECILIA BURKE  
971 Ramona Ave.  
Benton Harbor.

Ennis News,  
Ennis, Texas

April 15, 65

April 1st, perhaps as an April  
Fool's joke, Senator Maurine  
Nueberger inserted seven and  
a half pages in the Congressional  
Record which would have cost  
as a paid ad in some large na-  
tional magazine \$387,000.00.

She devotes this space pri-  
marily to memorializing Group  
Research, Inc. and giving her  
evaluation of LIFE LINE. LIFE  
LINE has broadcast an estimated  
635,000 words per year for 6 1/2  
years. By way of adhering to  
context, Senator Nueberger  
makes several different quotes  
of as few as a dozen words each  
to prove that LIFE LINE "im-  
plies" the opposite from its stat-  
ed principles. She seems to de-  
sire to inform the millions of  
listeners who can hear LIFE  
LINE broadcasts seven days-a-  
week, and several times each day  
on different stations, of its evils.  
She does not quote any of Edith  
Kermit Roosevelt's and other  
fine columnists' evaluation of GR  
Inc. Like Congressman Wright  
Patman, she evidently wishes to  
assist the Internal Revenue Ser-  
vice in deciding its rulings and  
is willing to bitterly assail the  
IRS at leisure.

Constructively,  
H. L. Hunt  
Dallas, Tex.

DALLAS TIMES HERALD-

-Wed., April 7, 1965

#### Life Line

The personal vendetta between  
Wright Patman and H. L.  
Hunt's "Life Line" seems to  
have resulted in a victory for  
Patman. But too many question  
marks beclouds the victory to  
make it "Wright."

Life Line has leaned over  
backwards to avoid any ques-  
tion of abusing its "tax-free"  
IRS status as a non-political or-  
ganization.

If Patman was really sincere  
in wanting to do something con-  
structive for the good of the  
country why didn't he single in  
on some of the really flagrant  
violations by some of the big  
foundations?

JIMMY HYLES  
2324 Hudspeth, Dallas

## Rep. Patman Points Full-Scale Probe At Foreign Operations by U.S. Firms

WASHINGTON — Chairman Wright Patman, D-Texas, of the House Banking and Currency Committee said at the weekend he has eventual plans for his committee to hold a full-scale investigation of international operations of United States oil companies.

Patman said he cannot at present set a date for the hearing because of press of other committee business.

The Texas congressman's assurance of a hearing was a follow-up to remarks he made on the House floor last week in which he charged government policies toward foreign activities of U.S. companies contributes to the nation's balance-of-payments deficit.

Patman said the possibility exists "that favored treatment to American international oil companies is a principal factor in the present payments gap." He added that such treatment also may be a "primary cause" for distress conditions of small domestic independent oilmen.

THE CONGRESSMAN suggested legislation may be necessary "to head off a monopoly trend" and help close the payments gap. He specifically pointed to legislation dealing with what he said are foreign tax advantages that have encouraged capital exports and gold outflow.

"The time may be at hand . . . to question the extension of statutory percentage depletion at the full 27½ per cent to foreign production," Patman told the House. "American international companies for tax purposes enjoy the same percentage allowance for minerals depletion abroad as do companies in this country. This seems not only inconsistent with congressional intent, but may have come to conflict with the original objective of depletion — that being to maintain a healthy home producing industry."

The Texan also charged there has been "apparent neglect" of balance-of-payments consideration in administering the oil import policy and suggested his committee would want to study the control program carefully.

HE QUESTIONED the import quota allocation procedure, saying it "seems more attuned to importing company interests than to the present day needs of our nation."

Patman declared he was not suggesting imports should be rolled back drastically, but he did see it time for the Interior Department "to develop an oil import program which keeps imports from continuing to grow disproportionately to domestic production."

The chairman said his banking committee would want to question all executive department officials having jurisdiction in oil matters bearing upon the balance-of-payments. He gave for example State Department officials who could detail AID oil-buying practices.

"I'm sure," he stated, "the committee will want to know why this country uses AID funds to buy foreign-produced oil, some produced by French companies. We need also to know why fictitious posted prices are paid for such oil, and why it is moved in foreign tankers."

PATMAN SAID Defense Department officials might be asked to explain why military purchases of foreign oil have risen from 13 per cent in 1954 to 34.8 per cent in 1964, and also why the department has a special oil import quota of 35,000 barrels daily. The congressman said his purpose in giving advance notice of his committee hearing was to "compel American international oil companies to face up to their obligation in helping close the payments gap."

## Group Backs Patman Aims

AUSTIN, Texas — President M. D. Abel of the Texas Independent Producers & Royalty Owners Association said at the weekend his organization "heartily welcomes" Congressman Wright Patman's tentative plans to investigate international petroleum's role in the balance-of-payments problem.

In a statement released from TIPRO headquarters here, Abel pledged cooperation in the inquiry and said:

"We believe there is not the slightest doubt that a congressional inquiry will point up how advantages to international oil companies work to the detriment of domestic independents."

Abel stated TIPRO's belief that reexamination is needed of "favored treatment long accorded international companies" and the existence of an unmistakable monopoly trend which must be checked."

The Dallas Morning News

6-1-65

The race between Roberts and Beckworth came as a mild surprise. Most informed speculation pointed Roberts against Rep. Wright Patman of Texarkana and Beckworth against Rep. John Dowdy of Athens.

However, Patman as dean of the delegation was left alone. Dowdy did lose some counties but as it appears now he will not have to face another incumbent in 1966.

Wright Patman is rushing to the aid of the oil industry and oil men. He is busy picturing himself as a dependable friend of the independent and as the man who can curb the imports that cripple the domestic oil industry. Patman has always pictured himself as the rescuer when he figured there were votes to garnish. By his actions Elmer Patman cost the gas industry several billions of dollars which legitimately would have gone to them.

It is not likely that the lambs will eat the butcher, and the independent oil operators would do well to closely scrutinize any help offered from Wright Patman.

Not by choice but through necessity I must ask my friends to evaluate Wright Patman.

H. L. Hunt

The Dallas senator was infuriated, partly because the motion to cut off debate was made by Sen. William N. Patman of Ganado, whose father, Congressman Wright Patman of Texarkana, has a small, compact district under the bill—without any incumbent opposition in it.

Just before the Senate voted to approve the bill, Parkhouse asked Smith to keep Patman from voting on grounds the constitution prohibits a legislator from voting on a measure in which he has a personal interest. Smith said he would leave that up to Patman, who went ahead and voted "aye."

DALLAS TIMES HERALD May 31, 1965.

... This plan will be shoved through here tonight on the expedient idea that we pass this and all go home. This plan is not right for Texas. Dallas County was drawn to keep Wright Patman from having an opponent. I'm a Democrat and will die a Democrat but I do not believe in gerrymandering the State of Texas for any one individual," Rep. Field maintained.

Five senators had asked to speak against the bill. The lieutenant governor announced there would be free and open debate.

Sen. Franklin Spears of San Antonio had been talking for an hour when the lieutenant governor recognized Sen. Bill Patman of Ganado, son of the congressman, for a cloture motion. The choice was the lieutenant governor's. ....

The Dallas Morning News June 1, 1965

... A high-ranking state official gave this analysis of how the committee reached its decisions:

—Congressman Wright Patman of Texarkana has a son, William N. (Bill) Patman of Ganado, in the State Senate. The son had voted for bills sponsored by senators on the committee. They felt obligated to him and he wanted his father's district preserved. ....

May 28, 1965

ELMER PATMAN

Elmer Patman and Wright Patman are second cousins, their paternal grandfathers being brothers.

On December 14, 1956, Elmer Patman pleaded guilty to failing to register as a lobbyist and was fined \$2,500 and given a suspended one year jail sentence by Federal District Judge Joseph C. McGarraghy in Washington, D.C. An Oil Company which employed him in public relations was fined for "aiding and abetting" him.

The Patman indictment grew out of a \$2,500 election fund contribution offered to Senator Francis Case (R., S. D.). Senator Case had an easy race for re-election and did not have serious opposition. He was not soliciting campaign funds from substantial contributors. The money came from personal funds of the company's President, but he was reportedly "unaware" of the contribution offer.

Patman testified he gave John M. Neff the \$2,500 contribution for Case in Washington, January 12 or 13, 1956, after Neff had confirmed Case's intention to vote for the Harris Bill. On January 16, 1956, Neff flew to Sioux Falls, S. D., and left \$2,500 to be turned over to Case's campaign fund. Case rejected the contribution, treating it as an attempt to bribe him. Taking the Senate Floor, he disclosed the delivery of the money, worked and voted against the bill.

The Harris Bill (HR 6645) to exempt independent gas producers from FPC regulation passed the House of the 84th Congress (209-203) and even after the Senator Francis Case's sensational disclosure passed the Senate (53-38) under guidance of Johnson, Rayburn and Knowland.

On February 17, 1956, Eisenhower vetoed the bill, stating while in accord with its purposes, evidence of activities by private parties seeking to further their own interests by highly questionable activities in defiance of accepted standards of propriety necessitated its veto.

Considerable local sympathy seems to have been accorded Elmer Patman in East Texas for taking responsibility for this.

The judgment used in lobbying for the passage of the Harris Bill which was in no danger in the Senate is subject to question, and placing Elmer Patman in position to do so much more harm than good is dubious. Elmer Patman may have promised or have been in position to be instrumental in getting the support of Wright Patman for the Harris Bill and may have greatly overstated the help which Wright Patman could lend in the passage of the bill if he conscientiously tried to get the Harris Bill converted into law.

The Patmans have been lobbyists for favored interests as both elected law makers and professional lobbyists. As can be seen by recent action, influence can be used as a two edged sword, to help some and to hurt others. One wonders about Wright Patman's recent criticism of banking institutions and patriotic foundations.

U.S. Senator A. Willis Robertson, one of the two great Democratic Senators from Virginia, said that some of his banking friends felt certain that his new Bank Merger Act Bill S-1698 would be passed by the Senate but were afraid that Congressman Wright Patman would try to kill it in the House.

Wright Patman makes speeches in defense of tax exempt foundations bent on replacing our economic system with various forms of socialism and uses his Chairmanship of Congressional Committees to deprive patriotic foundations of their opportunity to be widely heard.

## ARIZONA OIL REPORT

-2-

May 28, 1965

U.S. FOOTAGE, WORKDAY DRILLING COSTS IN 1964 (Based on AAODC Survey of 200 contractors)

State or area	FOOTAGE PRICES \$ Per Foot			DAYWORK PRICES \$ Per Day		
	1964	1963	1962	1964	1963	1962
Florida-Georgia			6.03	1,500		1,034
Alabama	5.79	5.32	4.73	1,142	1,167	1,091
Mississippi	4.11	3.20	3.85	1,011	1,099	969
Arkansas	5.97	5.64	2.86	919	784	704
North Louisiana	2.50	3.26	4.19	757	789	790
South Louisiana						
Land	3.69	3.34	3.57	1,291	1,143	1,208
Inland	3.67	3.24	3.35	1,735	1,697	1,673
Offshore	3.99			3,917	4,288	4,556
Texas						
Offshore	3.85			5,934	3,323	5,450
Upper Gulf Coast	2.64	2.93	3.39	938	987	997
Middle Gulf Coast	2.62	2.86	3.18	931	954	982
Lower Gulf and						
Southwest	2.64	2.76	3.04	798	880	974
South Central	3.00	2.94	4.37	877	864	973
West Central	3.72	4.02	4.40	709	794	777
West	4.39	5.85	5.06	807	854	921
North & North Central	3.24	3.21	3.50	640	765	701
East	4.74	6.53	4.35	851	1,033	910
Panhandle	4.27	3.92	4.26	868	849	777
Oklahoma	3.79	2.25	3.83	701	856	788
Kansas	2.95	3.15	3.09	630	660	638
Nebraska	1.96	1.92	2.10	838	768	716
North and South Dakota	3.84	3.74	4.95	1,000	1,023	1,075
Montana	4.52	4.22	5.21	986	971	987
Wyoming	4.64	4.10	5.05	953	1,079	988
Colorado, except 4-Corners	4.22	7.34	2.59	936	967	861
Four Corners	4.54	4.22	4.37	951	1,191	867
New Mexico East	5.50	5.31	5.42	955	981	983
Utah, except 4-Corners	5.82	5.97	6.82	987	1,055	1,048
Nevada, & Idaho	7.50	6.00		1,175	1,127	
California-Land	3.75	3.62	3.61	1,056	1,070	1,108
Oregon-Washington				1,524	1,542	
Alaska						
Land	10.50				1,900	1,900
Offshore				4,000		
Michigan	4.95	4.96	4.51	750	846	681
Illinois	2.60	2.87	3.00	506	455	488
Indiana	3.32	3.34	3.19	494	840	885
Kentucky	3.66	3.31	3.40	484	430	433
Ohio	4.15	4.00	6.00	669	750	985
Pennsylvania & New York	6.40	7.48	5.11	940	968	985
West Virginia	6.17		6.39	620	1,125	1,022
UNITED STATES	3.68	3.88	3.97	985	1,111	1,214
EXCLUDING OFFSHORE				850	999	949