OLL & GAS CONSERVATION COMMISSION
Meeting: April 20, 1966
Mr. John Bannister, Executive Secy

40000000

SAMUEL P. GODDARD GOVERNOR

LYNN LOCKHART

R. KEITH WALDEN

ORME LEWIS

LUCIEN B. OWENS MEMBER

GEORGE T. SILER

OFFICE OF

**Gil 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

APRIL 20, 1966

9:30 a.m. Call to order

OK-1. Approval of minutes of meeting of February 23, 1966 Lforwarded with March mailing)

OX-2. Acceptance of Executive Secretary's Report

ØK-3. Acceptance of Geologist's Report

- 4. Old business
- 5. New business
- 6. Adjourn

519n Am. Petroleum Geologist Ltr.

-1.P.A.A. Mtg. Los Angeles May 8-10 (Approx Cost: \$160)

LOCC Mtg., Tulsa June 20-22V

-Post Auditor Report

Long distance telepho. numbers.

meeting in the 20

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827.96

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11 Tulsa 144.60

MARIE SEC. 9:00

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4-19-66

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May - June - 4,430.60

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Significants)

INTERSTATE OIL COMPACT COMMISSION

HEADQUARTERS OFFICE: P. O. BOX 53127

7 • 900 N. E. 23RD STREET • TELEPHONE JAckson 5-3556 — AREA CODE 405

OKLAHOMA CITY, OKLAHOMA 73105

LAWRENCE R. ALLEY
Executive Secretary

March 25, 1966

NOTICE

We are enclosing a reservation request form for your use in connection with our Midyear Meeting, which is to be held in Tulsa, Oklahoma, June 20-22, 1966. As has been the custom in the past, all reservation requests for this meeting will be handled by the IOCC Headquarters Office. Your consideration in returning the enclosed form to us not later than May 15 will surely be appreciated.

Headquarters for the meeting will be the Camelot Inn; however, the hotel is not large enough to accommodate our entire group. We have, therefore, reserved rooms at the Trade Winds Motor Hotel, directly across the street from the Camelot, and the Valley Inn, approximately one-half block from it. All of these hotels are exceptionally nice and I am sure you will be pleased with the accommodations at each of them. Since there is a shortage of rooms at the headquarters hotel, we would appreciate your indicating your 1st, 2nd, and 3rd choice of hotel on the form enclosed.

The Camelot does not have banquet facilities as large as we are accustomed to; therefore, it is necessary that we restrict the banquet to adults only at this meeting. By this policy, we hope to be able to take care of all who normally attend the banquet at our meetings. There will be a special dinner for the children who will be attending the meeting with their parents. Please be sure to indicate on the enclosed form the number of banquet tickets you will require, as well as the number of children who will participate in the special dinner.

Sincerely,

(original signed by)

Lawrence R. Alley

LRA:lee

Enclosure

MEMBER STATES: ALABAMA - ALASKA - ARIZONA - ARKANSAS - COLORADO - FLORIDA - ILLINOIS - INDIANA - KANSAS - KENTUCKY - LOUISIANA MARYLAND - MICHIGAN - MISSISSIPPI - MONTANA - NEBRASKA - NEVADA - NEW MEXICO - NEW YORK - NORTH DAKOTA - OHIO - OKLAHOMA PENNSYLVANIA - SOUTH DAKOTA - TENNESSEE - TEXAS - UTAH - WASHINGTON - WEST VIRGINIA - WYOMING ASSOCIATES: GEORGIA - IDAHO - OREGON

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REQUEST FOR HOTEL RESERVATIONS

MIDYEAR MEETING INTERSTATE OIL COMPACT COMMISSION TULSA, OKLAHOMA JUNE 20-22, 1966

## HEADQUARTERS -- CAMELOT INN

Please indicate below the accommodations you desire. We would appreciate your returning the form to the address listed below at your earliest convenience, but NOT LATER THAN MAY 15.

Interstate Oil Compact Commission P. O. Box 53127 Oklahoma City, Oklahoma 73105

DESIGNATE 1ST, 2	ND, & 3RD CHOIC	E OF HOTEL			•		
Camelot Inn 1	Trade \	Vinds Motor Ho	otel 2	Valley	Inn_	3	
SUITES (\$30.00 - \$	100.00)SING	LES (\$8.50 - \$	15.00) <u>X</u>	rwins (\$11.5	0 - \$21.0	0)	
(Prid	ces quoted above a ates will vary sligl	re the rates a atly at the Trac	t the Camelo de Winds and	t Inn; therefo the Valley In	re, n.)		٠
Accommodations ar	e for 5 person(s	). Please list	names and a	ddresses belo	w.		4
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	ations will be confi Please submit all						3

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# THE GOVERNOR OF ARIZONA SAMUEL P. GODDARD

February 21, 1966

THE CAPITOL
Phoenix

Mr. John Bannister, Executive Secretary Oil and Gas Conservation Commission State of Arizona Seventeenth and Adams Phoenix, Arizona

Dear Mr. Bannister:

As a longtime campaigner in the United Fund area, it made me very proud to read that your department received an award in the successful 1966 United Fund campaign. I was especially proud to note that this was the fourth year such an award was earned by your department.

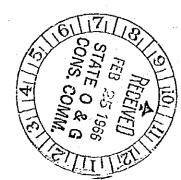
Since I know state employees are called on to make many sacrifices in time and energy to accomplish difficult jobs, your financial contributions to the United Fund represents additional interest in reflecting credit on your organization and on the employees of the State of Arizona.

Congratulations on your spirit of cooperation with the community.

Sincerely,

Sam Godbod-

SG:dlt



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THE CAPITOL Phoenix

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Congratulations on your spirit of cooperation with the community.

Sincerely,

Sam Goddard

SG:dlt

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GOVERNOR'S BUDGET SURVEY COMMITTEE

4 MARCH 1966

TO:

State Department Head

SUBJECT:

Review of Budget Requests for Fiscal 1966-67

FROM:

Governor's Committee

- 1. As a result of the Governor's Meeting with heads of state agencies on Thursday, 3 March 1966, a Committee was constituted by the Governor for the express purpose of having each state agency review its budget request in line with the criteria proposed and consistent with the necessary level of service for the citizens of the State of Arizona The Governor's criteria were:
  - "1) the line be held across the board on the hiring of additional personnel,
  - 2) that in those agencies where additional personnel prove essential, the addition be strictly commensurate with the increase in the workload of the agency
  - 3) that no increases in any categories of expenditures exceed the per cent of increase in the workload of the department,
  - 4) that outlays for equipment be deferred for one year unless purchases of equipment demonstrably would increase the efficiency of the unit and, thus, in effect, result in an economy,
  - 5) that existing practices in the use of material be scrupulously examined, so as to eliminate waste; I have in mind particularly such areas as consumption of heat, water, electricity, state automobiles and other equipment, telephones, and so on.

Economy in government is always in order, but this plea I am making for economy at this time is not just part of the regular order of business - this is no routine plea for economy It is no exaggeration to say that our financial situation is acute "

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SINE SECTION

Page 2 -

- 2. The Committee was ordered to report to the Governor by Thursday, March 10, 1966 with the results of its survey. In order to facilitate the work of the Committee in the short time allotted to it, the Committee proposes that each agency head complete the attached form and return to Mr. Justin Herman, Arizona Highway Department, 1739 West Jackson Street, Phoenix, Arizona by Wednesday noon, 9 March 1966.
- 3. The form appended hereto follows the format used by the State Auditor in the regular budget requests. The suggestion of the Committee is that the form be completed, utilizing the actual budget requests for 1966-67 and any proposed reduction as a result of the review.
- 4. With the cooperation of all involved, the completed forms will be tabulated and forwarded to the Governor within the deadline. Recognizing the burden that this is placing on all departments, the Committee wishes to express its appreciation for the cooperation it has received.

Justin Herman, Director

Arizona Nighway Department

Chairman of the Governor's Committee

JH/h Enc.

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Unit Symbol\_ Fund Source Governmental Unit OIL & GAS CONSERVATION COMMISSION 423 Expenditure Classification
CURRENT EXPENDITURES Uniform Allowance. Discharge Money-Institutional Inmates.. Subscriptions & Organization Dues Employers' Contribution for OASI & State Retirement..... Food (for State Institutions).... Entertainment..... Travel - Out of State.. Personal Services Liability Insurance... Buildings & Equipment Insurance Travel - State .... Rewards & Awards... Industrial Insurance-State Employees Professional Services (for services rendered to State on fee basis)..... General Salaries & Wages... Total Number of Employees 07-10-000-0000 STATE OF ARIZONA
BUDGET ESTIMATES AND REQUESTS ||49,450.00 38,800.00 3,500.00 2,000.00 5,000.00 150.00 Date Approved. Approved by. Executive Secretary Märch 8, 1966 3 3 per Cent of Decrease

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413 260 215 417 370 350 212 522 310 290 280 211 421 270 Total Current Expenditures (Add items I thru 31) Expenditure Classification
CURRENT EXPENDITURES (Continued) FIXED CHARGES Total Fixed Charges Public Assistance Apportionments. Rehabilitation... Total Other Current Expenditures (Add items 21 thru 31) Other Current Expenditures Other Current Fixed Charges......
Total Other Current Fixed Charges
(Add items 16 thru 20) Other Current Fixed Charges

Rent - Office Equipment.....Xe.r.o.x. Rent - Buildings & Offices.... Other Supplies, Materials & Parts Other Contractual Services. Care of Institutional Patients, Wards & Pioneers (Outside Services)...... Heat, Light, Power & Water Service Rent - Other U-Haul Trailers Office Supplies.... Maintenance & Repairs... Telephone & Telegraph..... Bonds of Officials & Employees. Construction & Maintenance Supplies Vehicle Supplies... Trainees..... 58,105.00 3,500.00 8,125.00 2,000.00 530.00 500.00 150.00 750.00 130.00 100.00 300.00 200.00 Requested for 1966-67 25.00 Proposed Reduction 1966-67 Ą Per Cent of Decrease

BUDGET ESTIMATES AND REQUESTS - SCHEDULE I (Continued) Page 2 overnmental Unit 3 TION COMMISSION 3

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Item BUDGET ESTIMATES AND REQUESTS - SCHEDULE I (Continued) Page 3 <u>အ</u> 35 36 37 40 41 Object Code 299 299 620 610 640 630 CAPITAL OUTLAY Total Capital Outlay Museum of Northern Arizona Arizona Bureau of Mines For cataloging and storing well samples and cores Equipment... Buildings & Improvements. Highways and Bridges.. Expenditure Classification 2,500.00 2,500.00 ,500.00 Requested for 1966-67 Proposeu Reduction 1966-67 Governmental Unit\_ မ TION COMMISSION 3 Per Cent of Decrease

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GRAND TOTAL (Add items 1 thru \$31

65,605.00

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Time did not permit the assembly of our Commissioners to re-consider our budget. I have contacted the Chairman of our Commission and he advised me to re-submit our budget as originally submitted inasmuch as the Commission feels that this budget represents the minimum amount under which we may efficiently operate and perform our necessary services.

recutive Secretary

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NOTICE

Advertisement No. 84

Sale of Oil and Gas Mining Leases Navajo Allotted Land

Department of the Interior, Bureau of Indian Affairs
Navajo Area Office, Window Rock, Arizona

March 24 , 1966

SEALED BIDS should be delivered or mailed to the Area Director, Navajo Area Office, Window Rock, Arizona, Attention: Area Real Property Management Officer, and said bids will be received until 10:00 A.M. (Mountain Standard Time) on April 28, 1966, and will be opened at that time in the Navajo Area Office, Window Rock, Arizona for the leasing of 375 tracts of allotted land, totaling 59,958.21 acres, described on the attached sheets, located in San Juan, McKinley, Rio Arriba, and Sandoval Counties, New Mexico for oil and gas mining purposes.

The sale will be conducted under regulations promulgated by the Secretary of the Interior, 25 C.F.R. 172, Act of March 3, 1909, 35 Stat. 781-783; 25 U.S.C. 396, as to individually owned lands.

The right is reserved to reject any and all bids and to disapprove any lease submitted on an accepted bid. All tracts are offered subject to acceptance of bids by the individual Indian owner. A separate lease will be drawn on the applicable form for each tract of land on which the highest bid is accepted.

Subject to the foregoing, leases will be sold to the bidder who offers the highest money bonus on a tract basis. Conditional or alternate bids will not be considered. No drilling propositions will be considered as a part of the bonus offer. Each bid must be accompanied by a deposit of at least 25 per cent of the bonus bid. All deposits are to be made by certified check, bank draft on a solvent bank, or a postal money order, made payable to BUREAU OF INDIAN AFFAIRS. The successful bidder or bidders will be required to pay their proportionate share of the advertising costs. Deposits from unsuccessful bidders will be returned. In the event that no bid is accepted, the cost of the advertising will be assessed against the applicant who requested that the lands be advertised. In the event two or more bids are in the same amount and such bids are the high bids, the bidders submitting the tie high bids may be required either to draw lots or submit sealed rebids on the day of the sale to determine the successful bidder.

Within 30 days after notification of being the successful bidder, the bidder must remit the balance of the bonus, first year's rental and his share of the advertising cost, together with a filing fee of \$10.00 for each lease, and shall file with the Area Director the lease in completed form. The Area Director may, for good and sufficient reasons, extend the period for completing and filing the lease, but no extensions shall be granted for remitting the balance of the monies due.

Lessees shall furnish with each lease a surety bond, with surety acceptable to the United States, in the amounts as follows: For less than 80 acres, \$1,000.00; for 80 acres and less than 120 acres, \$1,500.00; for 120 acres and not more than 160 acres, \$2,000.00 and for each additional 40 acres or part thereof above 160 acres, \$500.00; provided that a lessee may file one bond (Form 5-154f), in the sum of \$15,000.00 for all leases of minerals in any one State, and which may also include leases on that part of an Indian Reservation extending into States contiguous thereto to which the lessee may become a party, up to 10,240 acres.

In lieu of the foregoing bonds, a lessee may furnish a \$75,000 Nationwide Oil and Gas Lease Bond (Form 5-156) for full nationwide coverage with an acceptable company authorized to act as sole surety, to cover all oil and gas leases or permits to which the lessee may become a party.

IMPORTANT NOTICE: All successful bidders will be required to prepare their own leases and obtain the signatures of all Indian Lessors. Leases will be drawn on standard government form (Form 5-154h) which may be obtained from the Area Director of the Navajo Area Office.

The leases will be drawn for a term of ten years from the date of approval by the Commissioner of Indian Affairs or his authorized representative and as long thereafter as oil and/or gas is produced in paying quantities. The rate of royalty will be 16 2/3 per cent on all leases. The rental of \$1.25 per acre paid for any one year will be credited on the royalty for that year.

The responsibility of complying with any requirement of the Federal Documentary Stamp Statutes is that of the successful lessee.

In addition to all other remedies provided by law, failure of the successful bidder to comply with the terms of the sale will render all deposits theretofore made by or due from him subject to forfeiture without further action on the part of this office. Each of the tracts is offered separately to qualified bidders. Each lease shall include the following conditions where applicable:

- 1. On surveyed tracts, each lease will contain the following special condition: No adjustment will be made of the bonus or annual rental because of a difference that may be found in the acreage stated in this lease.
- 2. If so required by the Commissioner or his authorized representative, the lessee shall condition, under the direction of the Supervisor of the U.S. Geological Survey, any well drilled which does not produce oil or gas in paying quantities as determined by said Supervisor but which is capable of producing water satisfactorily for domestic, agricultural, or livestock use by the lessor. Adjustment of costs for conditioning of the well and for value of casing and equipment left in or on the well will be made in such cases where it is determined that the well will produce water satisfactorily as aforesaid.
- Navajo grazing rights to the surface of any lands so leased shall be protected, and Navajo rights respecting the use of water shall be unimpaired.

- 4. Navajos shall be employed in such mining, drilling, exploration and development operations to the fullest extent that their qualifications and the law permit, and every reasonable effort will be made to train Navajos in the skills and abilities required in such operations to the end that they may be employed in such skilled positions as they become qualified therefor.
- 5. Gas. It is agreed that helium gas, carbon dioxide gas, sulphur gas and all other natural gases are included under the term "gas" as used in this lease.
- 6. LANDS INVOLVED IN SURFACE EXCHANGES:

Leases drawn for Tracts 1, 2, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 39, 40, 41, 42, 43, 44 and 45 will include the following terms and conditions and shall become a part of any lease issued as a result of this advertisement:

"The surface rights were exchanged with a non-Indian, the sub-surface rights being reserved in trust for the Indian owner which reserved all minerals including oil and gas in the land covered by this lease, and the transfer of surface rights also reserved to the owners of the sub-surface the right to use such surface as maybe necessary for exploring, mining, and removal of all minerals, including oil and gas. Settlement with the surface owner for any damages to the surface of the land as a result of exploration and/or drilling for oil and gas shall be the full responsibility of the lessee."

All bids must be addressed to the Area Director, Navajo Area Office, Window Rock, Arizona, Attention: Area Real Property Management Officer, in a plain envelope marked:

"Bid for Oil and Gas Mining Lease, Tract No.

Not to be opened until 10:00 A.M., Mountain Standard
Time, on (date as indicated on page one hereof)."

Strict compliance with the foregoing rules and stipulation is required.

Area Director

THE FOLLOWING SURVEYED TRACTS ARE DESCRIBED BY SECTION, TOWNSHIP AND RANGE.

Advertisement No. 84

## Description

Navajo Allotted Land - McKinley County, New Mexico

## T. 15 N., R. 10 W., N.M.P.M.

Tract No.	Allot. No.	Description	Acres
1	960	Sec. 2 - SE/4	160
2	961	Sec. 2 - SW/4	160
3	058894	Sec. 4 - Lots 1, 2, S/2 NE/4	160.17
4	058896	Sec. 4 - Lots 3, 4, S/2 NW/4	160.75
5	058897	Sec. 4 - SW/4	160
6	058898	Sec. 4 - SE/4	160
7	05 <del>9</del> 412	Sec. 6 - Lots 3, 4, 5, SE/4 NW/4	173.92
8	059411	Sec. 6 - Lots 6, 7, E/2 SW/4	173.84
9	059438	Sec. 8 - NW/4	160
10	059439	Sec. 8 - NE/4	160
11	059441	Sec. 8 - SW/4	160
12	059442	Sec. 8 - SE/4	160
13	058895	Sec. 10 - SW/4	160
14	953	Sec. 10 - SE/4	160
15	954	Sec. 10 - NE/4	160
16	955	Sec. 10 - NW/4	160
17	959	Sec. 12 - NW/4	160
18	958	Sec. 12 - NE/4	160
19	957	Sec. 12 - SW/4	160
20	956	Sec. 12 - SE/4	160
21	949	Sec. 14 - SW/4	160
22	950	Sec. 14 - NE/4	160
23	951	Sec. 14 - SE/4	160
24	952	Sec. 14 - NN/4	160
25	059437	Sec. 18 - NE/4	160
26	059436	Sec. 18 - Lots 1, 2, E/2 NW/4	173.20
27	059434	Sec. 18 - Lors 3, 4, E/2 SW/4	172.72
28	059435	Sec. 18 · SE/4	160
29	062468	Sec. 22 - SW/4	160
30	062469	Sec. 22 - SE/4	160
31	062475	Sec. 26 - NW/4	160
32	062477	Sec. 26 - SE/4	160 172.13
33	060956	Sec. 30 - Lots 3, 4, E/2 SW/4	
34	060959	Sec. 30 - SE/4	160 160
35	962	Sec. 32 - NW/4	
36	963 964	Sec. 32 - NE/4 Sec. 32 - SW/4	160 160
37 39	965	Sec. 32 - SE/4	160
38 39	963 060955	Sec. 34 - NW/4	160
40	060960	Sec. 34 - NE/4	160
40 41	060957	Sec. 34 - NE/4 Sec. 34 - SW/4	160
41 42	060958	Sec. 34 - SE/4	160
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McKinley County - T. 16 N., R. 10 W., N.M.P.M. Sec. 34 - SW/4Sec. 34 - SE/4Sec. 34 - NE/4McKinley County - T. 16 N., R. 12 W., N.M.P.M. Sec. 10 - SW/4Sec. 10 - SE/4Sec. 10 - NE/4Sec. 11 - NE/4Sec. 11 - SE/4 Sec. 12 - NE/4Sec. 12 - SE/4Sec. 12 - NW/4Sec. 12 - SW/4Sec. 13 - NW/4Sec. 13 - NE/4Sec. 13 - SE/4Sec. 14 - NE/4Sec. 15 - W/2 SE/4, E/2 SW/4 S/2 SW/4 of Sec. 16 and N/2 NW/4 Sec. 21 Sec. 20 - SE/4Sec. 1 - SW/4Sec. 1 - SE/4Sec. 2 - NE/4161.78 Sec. 2 - NW/4160.06 Sec. 2 - SW/4Sec. 2 - SE/4Sec. 4 - NE/4Sec. 4 - NW/4Sec. 4 - SW/4Sec. 4 - SE/4Sec. 18 - NE/4Sec. 18 - NW/4161.62 Sec. 18 - SW/4 161.82 Sec. 18 - SE/4McKinley County - T. 17 N., R. 5 W., N.M.P.M. 77 Dec. 23 - DW/4 Sec. 13 - SW/4Sec. 24 - NE/4Sec. 24 - SE/4 Sec. 4 - NE/4160.30 Sec. 26 - SW/4Sec. 26 - NW/4Sec. 26 - SE/4Sec. 12 - NW/4Sec. 12 - SW/4Sec. 12 - SE/4 Sec. 2 - SE/4 Sec. 2 - NE/4160.65 Sec. 2 - NW/4

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McKinley County - T. 17 N., R. 6 W., N.M.P.M.

NW/4, SW/4 NW/4, SE/4 NW/4

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159
                                Sec. 6 - Lots 1, 2, S/2 NE/4
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          060803
                                Sec. 6 - Lots 3, 4, 5, SE/4 NW/4
          060423
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                                Sec. 6 - Lots 6, 7, E/2 SW/4
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          060424
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          060422
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                                Sec. 8 - NW/4
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          061081
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          061082
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          060809
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          060810
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166
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 168
             706
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             709
                                Sec. 10 - SW/4
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 170
          061400
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 171
             516
                                 Sec. 14 - SW/4
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 172
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                                Sec. 18 - Lots 1, 2, E/2 NW/4
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          060816
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 174
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          060817
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                                Sec. 18 - Lots 3, 4, E/2 SW/4
          060834
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          061083
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                                Sec. 30 - Lots 1, 2, E/2 NW/4
          061084
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               McKinley County - T. 19 N., R. 12 W., N.M.P.M.
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                                Sec. 3 - SW/4
          079562
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                   McKinley County - T. 20 N., R. 12 W., N.M.P.M.
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         061358
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         061351
                               Sec. 12 - SW/4
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Sec. 31 - Lots 1, 2, E/2 NW/4161.08 Sandoval County - T. 16 N., R. 4 W., N.M.P.M. Sec. 6 - NE/4Sandoval County - T. 17 N., R. 4 W., N.M.P.M. Sec. 29 - NE/4Sec. 29 - NW/4Sec. 2 - Lots 3, 4, S/2 NW/4 160.25 Sec. 30 - SE/4Sec. 30 - Lots 3, 4, E/2 SW/4 159.97 Sec. 9 - SE/4Sec. 31 - NW/4Sec. 31 - NE/4Sec. 13 - NE/4Sec. 17 - SE/4 Sec. 17 - SW/4 Sec. 20 - NE/4Sec. 20 - SE/4Sec. 19 - SE/4Sec. 15 - NW/4Sec. 15 - NE/4Sec. 15 - SW/4Sec. 15 - SE/4 Sec. 10 - NE/4Sec. 10 - NW/4Sec. 10 - SW/4 Sec. 10 - SE/4 San Juan County - T. 22 N., R. 13 W., N.M.P.M. Sec. 1 - NE/4Sec. 1 - SW/4Sec. 1 - SE/4160.80 Sec. 2 - Lots 1, 2, S/2 NE/4Sec. 2 - Lots 3, 4, S/2 NW/4160.80 Sec. 2 - SE/4 Sec. 12 - SW/4 Sec. 3 - Lots 3, 4, 8/2 NW/4161.10 Sec. 3 - Lots 1, 2, S/2 NE/4Sec. 3 - SE/4Sec. 4 - Lots 1, 2, S/2 NE/4 161.15 Sec. 7 - Lots 1, 2, E/2 NW/4135.69 Sec. 7 - NE/4Sec. 8 - NE/4Sec. 9 - NW/4Sec. 9 - SE/4Sec. 11 - NE/4Sec. 12 - NW/4Sec. 12 - NE/4

Sec. 13 - NW/4

Sec. 13 - W/2 SW/4

Sec. 14 - E/2 SE/4

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Rio Arriba County - T. 24 N., R. 7 W., N.M.P.M.

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Sec. 14 - SW/4 Sec. 15 - SE/4 Sec. 15 - SW/4Sec. 15 - NW/4Sec. 20 - SE/4Sec. 20 - NE/4Sec. 21 - NE/4Sec. 21 - SE/4Sec. 21 - SW/4Sec. 21 - NW/4Sec. 22 - NW/4Sec. 22 - NE/4 Sec. 22 - SE/4Sec. 22 - SW/4 Sec. 25 - NW/4Sec. 25 - SW/4Sec. 26 - NE/4Sec. 26 - NW/4Sec. 26 - SE/4 Sec. 26 - SW/4Sec. 27 - NE/4Sec. 27 - NW/4Sec. 27 - SE/4 Sec. 34 - SW/4 Sec. 34 - NW/4San Juan County - T. 24 N., R. 8 W., N.M.P.M. Sec. 18 - Lots 1, 2, E/2 NW/4 160.63 160.93 Sec. 18 - Lots 3, 4, E/2 SW/4 160.95 Sec. 19 - Lots 1, 2, E/2 NW/4 Sec. 20 - SW/4Sec. 21 - SW/4Sec. 25 - SE/4 Sec. 26 - SE/4 Sec. 26 - SW/4Sec. 27 - NE/4Sec. 27 - NW/4Sec. 27 - SE/4Sec. 27 - SW/4 Sec. 35 - NW/4Sec. 35 - NE/4375 5 **011396** Sec. 35 - SW/459,958.21 BID FOR OIL AND GAS LEASE

		, at the Navajo Area Office, Window Rock,
izona.		
	Tract No	of Advertisement No. 84, described as
	Т	ownship,
sections or	subdivisions thereof)	
lange	, Cou	nty of, State of
<u> </u>	, containing	approximatelyacres.
	Amount of cash bonus	offered for the tract \$
	Twenty-five per cent	of the total cash bonus,
	in the amount of \$	by
		dated
	•	of Indian Affairs is attached hereto.
	payable to the bureau	Of Indian Affairs is decaded needles.
		Name of Bidder
		Address
	•	
		Ву
		Title
NOTE: For	purpose of statistical	information only the cash bonus is computed

32× 1

OIL AND GAS CONSERVATION COMMISSION 202 Arizona State Office Building 1624 W. Adams Phoenix, Arizona 85007

#### Commissioners

Appointment Expires

Lynn Lockhart, Chairman 12-31-70 P.O. Box 217

Springerville

Telephone: 333-4545

525 W. Orchid Lane

Phoenix 85021 Telephone: 943-1462

Orme Lewis, Vice Chairman 12-31-66 Lewis Roca Scoville Beauchamp & Linton 9th Floor, Phoenix Title & Trust Bldg. Phoenix 85003

Telephone: 252-5511 97 Mountain Shadows West

Scottsdale

**Telephone:** 945-1163

Hiram S. Corbett 12-31-67

826 W. Prince Rd. - 11A

Tucson 85705

Telephone: 622-8623

Lucien B. Owens 12-31-68

Richfield Oil Co. P.O. Box 366

Holbrook

Telephone: 524-6611 225 W. Erie

Holbrook

Telephone 524-3416 4007 E. San Juan

Phoenix

Telephone: 959-3074

12-31-69 George T. Siler

3420 E. Santa Fe

Flagstaff

Telephone: Office 774-2149

774-5349 Home

John Bannister, Executive Sec'y 6711 N. 12th Street

Phoenix 85014 Telephone: 274-0427

James R. Scurlock, Geologist 7507 E. Princeton

Scottsdale

Telephone: 945-9493

Marjorie Rushton

3902 W. Citrus Way

Phoenix 85019

Telephone: 937-0392

32×11

SAMUEL P. GODDARD GOVERNOR

LYNN LOCKHART

R: KEITH WALDEN VIGE CHAIRMAN

ORME LEWIS

LUCIEN B. OWENS MEMBER

GEORGE T. SILER MEMBER

OFFICE OF

## (Bil and Gas Conservation Commission

STATE OF ARIZONA ROOM 202

1624 WEST ADAMS Phoenix, Arixona 85007 PHONE: 271-5161

April 12, 1966

JOHN BANNISTER EXECUTIVE SECRETARY

J. R. SCURLOCK PETROLEUM GEOLOGIST

Memo to:

Commissioners

From:

John Bannister, Executive Secretary

Re:

Report of Activities

On March 21 thru March 23 I attended the Symposium on Mineral Law which was sponsored by University of Arizona and Bureau of Land Management in Tucson.

The symposium advised the mining industry in specific and the extraction industry generally as to the study of public land use currently in progress on orders of the President of the United States. As you are aware, a board has been personally appointed by the President whose purpose is to study the history of the United States public lands, as well as qcquired lands, all laws and their development for the use of public land, and to make such recommendations as it feels advisable concerning the further use of public lands.

A member of the study board spoke to us and advised its approach is to secure the cooperation of all extraction industries and their representative organizations to not only furnish members to sub-study committees, but also to advise of their industries' particular use and needs in regard to public land.

Speakers representing wild life conservationists who desire that land be set aside for no other use were present, as well as speakers representing the other extreme points of view, ranging from surrendering all federal public lands to the states in which it is located, to additional acquisitions by the Federal Government.

Inasmuch as Arizona is a public land state and inasmuch as more than half of our potential oil and gas lands are directly or indirectly under the control of the Federal Government, it behooves this Commission to watch this study and to do all it can to encourage our industry to express its desires and needs.

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The governors of each of the fifty states has appointed a special representative to this study group and any views which we may desire to express can be done through Mr. Floyd O. Smith, Salt River Valley Water Users Association, 1521 Project Drive, near 60th Street and E. Van Buren, Phoenix, Arizona.

As you are aware, it has long been a need of our State to interest our local financing institutions in involving themselves in oil financing, such as is available from banks in the more developed oil states. I have recently discussed oil financing and needs with the First National Bank and with Valley National Bank of this city. Pioneer Bank has also expressed an interest; however Valley National Bank was by far the most interested and made arrangements for one of their managers, Mr. Bill Campbell, to accompany Mr. Mike O'Donnell to view his production in Nevada. Upon request of the bank I accompanied them.

The results of this trip were more than satisfactory. I have since learned that the Valley National Bank has made a limited loan in this connection.

I have completed a study of potential supplies of oil, gas, and associated products within the State in connection with our Civil Defense assignment. This study is currently being circulated to various industrial groups for their comments and criticisms. Upon receiving these, the figures will be furnished to you and Civil Defense and will become a part of official planning for this State and all Civil Defense Region #7.

#### New Permits:

- 345: Cactus Drilling Corp. #1 Navajo 8816, SW/4NE/4 23-36N-24E, Apache County
- 346: Apache Drilling #1-22 State, NW/4SE/4 22-19N-26E, Apache County
- 347: Skelly Oil Co. #1 Federal A, NE/4SE/4 2-39N-7W, Mohave County
- 348: Eastern Petroleum Co. #2 Reese Fee, SW/4NE/4 1-19N-26E, Apache County
- 349: Kerr-McGee Corp. #3A State 2120, NE/4NE/4 4-19N-26E, Apache County

The Skelly Oil Co. #1 Federal A was spudded April 10, 1966 and at last report was setting surface casing to 225 feet. Skelly has done estensive seismigraphic studies of this area as well as of the Kapariowitz area to the north in Utah. The company feels very optimistic about its chances here and feels that the Mississippian and Devonian formations are some 3,000 feet higher than in the Kapariowitz area.

Skelly has some 40,000 acres in this area under lease. This

area is some five miles east of El Paso's holdings in the Antelope Springs structure.

Cactus Drilling Corp. #1 Navajo 8816 has been plugged and abandoned.

Kerr-McGee's #3A State is an offset to its Unit IV well which is making water. It is their intention that if the #3A comes in as a producer, Unit IV will be plugged and abandoned.

Eastern Petroleum #2 Reese fee was commenced as a water well under an agreement between Eastern and Reese Brothers, but was taken to the Coconino and was completed as a helium discovery.

The Ferrin #1 New Mexico Arizona Land well, NW/4NW/4 22-19N-17E, Navajo County, was drill stem tested at 430 feet in Coconino formation. No shows. It is the intention to take this well deeper.

You may recall that the Ferrin #1 State, approximately a mile to the north, drilled to a depth of approximately 1,325 feet and had reported shows.

The Willett #1 State, southwest of Flagstaff, is to be taken over by another operator and Willett is closing out his phase of the well.

When weather permits the continuance of operations here, John Petty will probably be the geologist for the new operator.

There has been no progress on the Ari-Mass #1 State well in Pinal County nor on the C & J Drilling Co. #1 State well in Yavapai County.

Mr. C.T. Henderson of Apache Drilling Co. Inc., informed me on april 11 that the plans for the new helium plant in Navajo were substantially on schedule. However a decision has been made to move the location of the plant on the south side of the road which has necessitated additional soil tests in order to determine the thickness of the foundation needed.

They are still shooting at the April 15th target as the beginning of the site preparation; however I don't believe this date will be met. The plant is still scheduled to go into its test runs in October and to be on full stream in January, 1967.

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SAMUEL P. GODDARD GOVERNOR

LYNN LOCKHART

R. KEITH WALDEN WOD SHARMAN ORME LEWIS NEMBER

LUCIEN B. OWENS

GEORGE T. SILER

OFFICE OF

JOHN BANNISTER
EXECUTIVE SECRETARY

J. R. SCURLOCK
PETROLKUM GEOLOGIST

## Oil and Gas Conservation Commission

STATE OF ARIZONA ROOM 202 1624 WEST ADAMS

Alicenix, Arizona 85007

April 12, 1966

Memo to:

Commissioners

From:

J.R. Scurlock, Geologist

Re:

Report of Activities

March 15

Holbrook area: checked all ArkLa locations on ground

March 16.

Durango: Consulting with Bob Lauth re well data for the forth-coming structure map.

March 17.

Farmington: Consult with Hank Pohlman re Peabody Coal operations in Navajo County.

March 18

Winslow: Checked Ferrin well. Spudded.

March 28-29-30

Flagstaff: Copying water well data from U.S.G.S. Winslow: Checked Ferrin well. Working on pump.

April 5

Many Farms: Cactus Drilling Corp. well - drilling 5,207 feet.

April 6

Holbrook: Confer with Mr. Carr, Arkla, re data for the structure map.

RECEIPTS: Current Month Year to date Balance	TOTALS	TOTAL Arizona Bureau Mine	TOTAL Museum Northern Ar:	TOTAL Professional Servi	TOTAL Current Fixed Char	TOTAL Capital Outlay Equ	TOTAL Travel out-of-Stat	Travel-State: Staff Commissioners Gasoline-rela	ubscrip	Current Expenditures-Othe Telephone Miscellaneous	sonal	-
1th \$		S	izona	Ces	308	quipment	6	ners	iz Dues	e n	ission	
125.00 725.00 595.25	\$3,608.10				\$ 10.00	\$ 500.09	\$ 211.30	\$ 26.50 253.31 \$ 279.81		\$ 92.42 199.48 \$ 291.90	\$2,215.00 100.00 \$2,315.00	Expenditures Current Nonth
	\$37,550.74	\$ 1,875.00	\$ 1,875.00	\$ 78.60	\$ 286.70	\$ 3,000.00	\$ 1,480.80	\$ 3,212.07	\$ 58.20	\$ 4,031.87	\$19,702.50 1,950.00 \$21,652.50	Total Expenditures to date
	\$483.75						\$ 50.00	\$282.15		\$151.60 \$151.60		Outstanding Encumbrances
	\$44,487.50	\$ 1,875.00	\$ 1,875.00	\$ 2,000.00	\$ 450.00	\$ 3,000.00	\$ 2,500.00	\$ 5,000.00	\$ 150.00	7, 350,00 \$5,512.50	29,500.00 \$22,125.00	Allotment to date
	\$6,453.01		٥٥، کټه ه	\$1,921.40	\$ 163.30	0	\$ 969.20	(\$1,505.78)	70.60 91.80	2,78/,38 \$1,329.03	5, 632,50 \$ 472.50	Unexpended Allotment to date
*Д	\$54,950.00	\$ 2,500.00	\$ 2,500.00	\$ 2,000.00	\$ 450.00	\$ 3,000.00	\$ 2,500.00	appl 400	\$ 150.00	\$ 7,350.00	\$29,500.00	Total Appropriation
*Drawn quarter}	\$10,462.50	\$ 625.00	\$ 625.00					Test X		\$ 1,837.50	\$ 7,375.00	* Balance o:

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STATEMENT OF LEDGER TRANSACTIONS
MARCH 1966

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SAMUEL P. GODDARD GOVERNOR

LYNN LOCKHART

R. KEITH WALDEN VICE CHAIRMAN

ORME LEWIS

LUCIEN B. OWENS

GEORGE T. SILER MEMBER OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202 1624 WEST ADAMS

PHONE: 271-5161

JOHN BANNISTER EXECUTIVE SECRETARY

J. R. SCURLOCK PETROLEUM GEOLOGIST

There will be no regular meeting of the Commission during March, 1966. The Commission office has been notified that several of the Commissioners will be unable to attend, and inasmuch as there is no urgent business the Chairman has advised that the meeting will be cancelled.

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

> Minutes of Meeting February 23, 1966

#### Present:

Mr. Lynn Lockhart, Chairman

Mr. Orme Lewis, Vice Chairman

Mr. L.B. Owens, Member

Mr. H.S. Corbett, Member

Mr. G.T. Siler, Member

Mr. John Bannister, Executive Secretary

Mr. J.R. Scurlock, Geologist

Mr. Ralph E. Palmer

Mr. Elmer J. Winterheimer

Mr. J.H. Waterhouse Mr. Arthur P. Huyck

Mr. Mike O'Donnell

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

Minutes of the meeting of January 19, 1966 were approved. Reports of the Executive Secretary and Geologist were accepted.

Mr. Bannister reported that the Governor's office was making a survey of vacation and sick leave policies and that his research of the Commission's policy indicated that a very rough policy had been recommended. He reported on policies of other State departments.

Mr. Lewis moved that for the first year of employment that the policy be two weeks vacation proportionate to the length of employment and thereafter four weeks regardless of whether a day during one of these weeks was a holiday; and for sick leave, one day a month annually accumulative but not to exceed twelve days, and any necessities beyond the twelve days would be decided upon by the Commission.

After discussion, Mr. Owens seconded the motion and it carried.

Mr. Bannister announced that payroll deductions could now be made for savings bonds should any commissioner be interested.

Mr. Palmer introduced himself and his associate, Mr. Winterheimer, stating they wanted to express their interest in Arizona.

Chairman Lockhart welcomed both these gentlemen and expressed the cooperation of this Commission in giving any information available at any time in any manner.

Minutes of Meeting February 23, 1966 Page 2

Mr. Bannister brought up for discussion a change in the regular meeting date of the Commission. The current fourth Wednesday of the month conflicted with some of the commissioners other obligations.

After discussion it was moved and passed that the regular meeting of the Commission be changed from the fourth Wednesday of each month to the third Wednesday of each month. It was directed that the industry and public be notified accordingly.

It was agreed that Mr. Bannister would attend the symposium on mineral law sponsored by the College of Mines and College of Law, University of Arizona, on March 21-22-23, 1966.

If funds are available after allowances for attendance at the June Interstate Oil Compact Commission, it was agreed that Mr. Bannister should attend the May meeting of Independent Petroleum Association.

Mr. Arthur Huyck identified himself as interested in oil and gas.

Mr. J.H. Waterhouse introduced himself as interested in Rule 119.A of the Commissions' Rules and Regulations. He read ARS Section 27. 522 regarding records and Rule 119.A and stated he did not find any statement in Rule 119.A allowing a driller six months for holding information confidential. His question then was, "Does this Rule bear out or follow the Statute?"

Mr. Bannister replied: "Absolutely. The Statutes provide that the wildcat well shall be confidential for six months after the completion of the well. The law also orders us to make rules so that the Statutes are carried out and make such other rules as deemed necessary to perform our functions. In Rule 119.A we have set out the time in which logs may be filed, and in 119.B the confidential period...As you are aware, any confidential record is kept under lock and key until the six months period for confidential has expired. Then the file is removed and put into public record."

Mr. O'Donnell reported on the current status of SB-185. He also reported upon the favorable reaction of the oil industry to this bill and of the State of Nevada's interest in its effect if passed.

In reply to Mr. Corbett's question as to whether the Attorney General had said the bonus bill is legal, Mr. O'Donnell replied that in an Attorney General's opinion of approximately two years ago it is legal. However the legality of the incentive bill in which he is concerned (SB-185) is being researched for legality.

Chairman Lockhart reiterated that the Commission is behind anything that will encourage oil and gas exploration in this state because that is one of the big sites for tax relief.

Mr. O'Donnell also reported that after vote by the Oil and Gas Association of Arizona, he had written a letter to the Governor commending Mr. Lockhart.

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SAMUEL P. GODDARD GOVERNOR

LYNN LOCKHART

R. HEITH WALDER

LUCIEN B. OWENS MEMBER

GEORGE T. SILER MEMBER

## **Bil and Bas Conservation Commission**

JOHN BANNISTER EXECUTIVE SECRETARY

J. R. SCURLOCK PETROLEUM GEOLOGIST

STATE OF ARIZONA ROOM 202

1524 WEST ADAMS Phoenix, Arixona 85007 PHONE: 271-5161

March 7, 1966

Memo to: Commissioners

John Bannister, Executive Secretary From:

Report of Activities Re:

The final contract between Apache Drilling Company and LaFleur Corporation, which in effect constitutes the design and enginerring of the new helium plant at Navajo, was executed on February 25, 1966.

The plans now call for the construction phase to commence. It is anticipated that construction and plant site preparation contracts will be let early in April with actual construction scheduled to begin sometime around the middle of April. It is forecast that initial runs of the plant for actual purposes will begin sometime in September or October, with the plant in full production by the first of January, 1967.

They are somewhat behind schedule due to re-drafting certain phases of the automatic control system in the plant.

This office was contacted by Kerr-McGee Corporation on March 3 concerning the possibilities of unitizing Pinta Dome along the lines of Navajo Springs. We have been advised that some of Kerr-McGee's staff will come to Phoenix in the near future to further discuss this unitization program.

Kerr-McGee would benefit from this unitization in that once accomplished they would no longer have to produce each well monthly in order to keep it on a producing status and could produce only such wells as they might choose. This would be of benefit to the reservoir and, of course, under unitization all owners would share in all production.

At this time it would seem that the incentive bills in both the Senate and in the House have no chance of passing. The prime reason seems to be both call for appropriation of money, which the Legislature feels is not available at this time.

Encouragement has been given to the proponents of these bills to re-submit early in the 1967 Legislature session.

The Executive Secretary will attend the Symposium on Mineral Law in Tucson beginning March 21.

New permits:

344: Ferrin #1 New Mexico Arizona Land Co., NW/4NW/4 22-19N-17E, Navajo County

RECEIPTS: Current Month \$ 75.00
Year to date \$8,470.25

awn quarterly	*Drawn				
10,	\$54,950.00	\$44,487.50 \$9,805.94	\$738.92	\$33,942.64	TOTALS \$3,039.17
\$ 625.00	\$ 2,500.00	\$ 1,875.00		\$1,875.00	TOTAL Arizona Bureau Mines
\$ 625.00	\$ 2,500.00	\$ 1,875.00		\$1,875.00	TOTAL Museum Northern Arizona
	\$ 2,000.00	\$ 2,000.00 \$1,921.40		\$ 78.60	TOTAL Professional Services
	\$ 450.00	\$ 450.00 \$ 173.30		\$ 276.70	TOTAL Current Fixed Charges
	ω	\$ 3,000.00	\$500.09	\$2,499.91	TOTAL Capital Outlay Equipment
	\$ 2,500.00	\$ 2,500.00 \$1,042.00	\$188.50	\$ 1,269.50	TOTAL Travel out-of-State
	[]	\$ 5,000.00 \$2,067.74		\$ 2,932.26	Travel-State: Staff Commissioners 154.00 Gasoline-related 139.29 TOTAL \$ 415.89
	\$ 150.00	\$ 150.00 \$ 91.80		\$ 58.20	TOTAL Subscription-Organaization Dues 5.00
\$ 1,837.50	\$ 7,350.00	\$ 5,512.50 \$1,722.20	\$ 50.33 \$ 50.33	\$ 3,739.97	Current Expenditures Other Telephone Miscellaneous TOTAL 84.49 84.49 85.79
\$ 7,375.00	\$29,500.00	\$22,125.00 \$2,787.50	The state of the s	\$19,337.50	Personal Services: Staff \$2,215.00 Commissioners 250.00 FOTAL \$2,465.00
*Balance of Appropriation	Total Appropriation	Unexpended Allotment Allotment to date to date	Outstanding Encumbrances	Total Expenditures to date	Expenditures Current Month

Million Office

STATEMENT OF LEDGER TRANSACTIONS JANUARY 1966