

OIL AND GAS CONSERVATION COMMISSION
Meeting: February 15, 1967
John Bannister, Executive Secretary

February 15, 1967

Mrs. Clarence L. Carpenter
P.O. Box 910
Miami, Arizona

Dear Mrs. Carpenter:

The members of the Oil and Gas Conservation Commission take this opportunity to extend our most sincere condolences to you and your family occasioned by the death of your husband and our friend.

Senator Carpenter was respected and admired by all of us and his loss is deeply felt.

If in any way we may help you during this period of bereavement, please do not hesitate to ask.

Most sincerely,

Lynn Lockhart, Chairman

Orme Lewis, Vice Chairman

Hiram S. Corbett, Member

Lucien B. Owens, Member

George T. Siler, Member

John Bannister, Executive
Secretary



SAMUEL R. GOODRICH
 GOVERNOR
 LYNN LOCKHART
 CHAIRMAN
 ORME LEWIS
 VICE CHAIRMAN
 HIRAM S. CORBETT
 MEMBER
 LUCIEN B. OWENS
 MEMBER
 GEORGE T. SILER
 MEMBER

Oil and Gas Conservation Commission

OFFICE OF
 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

February 15, 1967

9:00 a.m. Call to order

1. Approval of minutes of meeting of January 18, 1967
2. Executive Secretary's Report
3. Geologist's Report
4. Old business
5. New business

9:30 a.m.

6. Adjourn. *Apache Drilling hearing request
IOCC Exec Comm. mtg.*

Immediately enter into Hearing, Case 21.

30-18
18-25

March 15th
9:30 hearing
9:00 Meeting
Letter to Mrs. Carpenter

C
O
P
Y

February 15, 1967

Mrs. Clarence L. Carpenter
P.O. Box 916
Miami, Arizona

Dear Mrs. Carpenter:

The members of the Oil and Gas Conservation Commission take this opportunity to extend our most sincere condolences to you and your family occasioned by the death of your husband and our friend.

Senator Carpenter was respected and admired by all of us and his loss is deeply felt.

If in any way we may help you during this period of bereavement, please do not hesitate to ask.

Most sincerely,

Lynn Lockhart, Chairman

Orme Lewis, Vice Chairman

Hiram S. Corbett, Member

Lucien B. Owens, Member

George T. Siler, Member

John Bannister, Executive Secretary

NOTICE OF HEARING
CASE 21

Notice is hereby given to all interested parties that the Oil and Gas Conservation Commission of the State of Arizona will hold a hearing on its own motion in Room 204, 1624 West Adams, Phoenix, Arizona, on February 15, 1967 at 9:30 a.m., to consider why the below listed wells should not be ordered plugged by the operator of record for violation of the duly adopted Rules and Regulations of the Oil and Gas Conservation Commission:

<u>Operator</u>	<u>Well Name and Location</u>
Cottonwood Oil Co. Inc.	Cottonwood Oil #1 State NW/4NW/4 S20-T16N-R4E Yavapai County, Arizona Permit 96
Richard F. Harless	Harless #1 Federal SW/4NW/4 S4-T17N-R4E Yavapai County, Arizona Permit 169
Yavapai Oil Corp.	Yavapai Oil #18 Alsbury Federal NE/4SW/4 S32-T18N-R4E Yavapai County, Arizona Permit 257
Richard F. Harless	Harless #27B Federal NW/4NW/4 S4-T17N-R4E Yavapai County, Arizona Permit 278
Richard F. Harless	Harless #36C Federal NE/4NE/4 S3-T17N-R4E Yavapai County, Arizona Permit 285

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

Minutes of Meeting
January 18, 1967

Present:

Mr. Lynn Lockhart, Chairman
Mr. Orme Lewis, Vice Chairman
Mr. Lucien B. Owens, Member
Mr. Hiram S. Corbett, Member
Mr. George T. Siler, Member
Mr. J.R. Scurlock, Geologist
Mr. C.T. Henderson, Apache Drilling Co.
Mr. Steve Henderson, Apache Drilling Co.
Mr. Ted Spurlock, Apache Drilling Co.
Mr. Don Hornecker
Miss Pat Baum, Arizona Oil Report
Mr. Joe Barrett, Yucca Petroleum Co.
Mr. Loy Turbyville
Mr. Gordon Fleetwood
Mr. Jim Pickett
Mr. Schroeder
Mrs. M. Rushton

Meeting was called to order at 9:35 a.m.

Minutes of the meeting of November 16, 1966 were duly approved.

The Executive Secretary's report was acknowledged as received.

After discussion it was decided to take no action at this time concerning well spacing and to perhaps discuss it further at the next meeting.

On motion duly made, seconded and passed, a hearing was scheduled for February 15, 1967 to show why the Cottonwood Oil Co., Yavapai Oil Corp., and the Richard F. Harless wells should not be ordered plugged.

The Commission directed that the Executive Secretary write the Attorney General requesting suggestions for revision of the bond form to require physical performance, i.e., plugging of well.

On motion duly made, seconded and passed, it was directed that the written minutes of Commission meetings record only date, time, place, those present, and action taken, thus deleting the recording of lengthy discussions.

Minutes of Meeting
January 18, 1967
Page 2

The Commission agreed that copies of the post auditor's monthly financial statement, supplemented by total year's appropriation figures, would be acceptable to the members in lieu of the Monthly Statement of Ledger Transactions Report as especially prepared heretofore.

It was directed that the Executive Secretary each month would bring to the attention of the Commission the current financial position with relation to the current allotments.

On motion duly made, seconded and passed unanimously, Mr. Lynn Lockhart was re-elected chairman.

Meeting adjourned at 11:10 a.m.



SHANE BLAKE GOLDWARD
GOVERNOR

LYNN LOCKHART
CHAIRMAN

ORME LEWIS
VICE CHAIRMAN

HIRAM S. CORBETT
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

February 7, 1967

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

I would like to take this opportunity to express my appreciation for the sympathy extended by this Commission on the recent death of my brother. I should also like to express my thanks for your condoning my absence from the last meeting.

As you are aware, the Kerr-McGee #1 Navajo well, located in 32-36N-30E, Apache County, has recently been completed as an oil well. At last report on Friday, February 3, the operators were swabbing this well at 25 barrels per hour with no noticeable drop of fluid in the casing.

Kerr-McGee now is contemplating immediately surveying this lease and adjacent leases for development of this field on 160-acre spacing. No action will be necessary on the part of the Commission to approve this pattern inasmuch as there will be an actual 80 acres dedicated to these wells.

It will be interesting to note the bidding at the forthcoming Navajo lease sale on March 16, 1967. There are no leases being offered in the immediate area of this above discovery. However, the two diagonally offsetting townships both contain acreage being offered.

This well of course has created great interest, particularly in the Farmington area by the companies holding the majority of the Indian leases in the adjacent areas.

El Paso Natural Gas Company has filed application with the Oil Conservation Commission of New Mexico for authority to drill and to directionally drill several wells in connection with "Project Gas Buggy." As you are aware, this will be a test of atomic energy to open up tight gas formations with the hope of greatly increasing recoverability of the formation. The SW/4 of 36-29N-4W, Rio Arriba County, New Mexico is the currently contemplated

area of the tests. If successful, this will have a very far reaching effect on all phases of the hydrocarbon producing industry.

One of the wells involved in the forthcoming hearing for Mr. Richard F. Harless is the Cottonwood Oil Co. #1 State, NW NW 20-16N-4E, Yavapai County. We have received a properly executed water well designation which will negate the necessity of plugging this particular well.

However, this office has not received the necessary Well Completion Report, logs, samples, etc., so that our files therefore still remain open. Mr. Harless was advised by letter dated January 31, 1967 that unless the necessary reports to properly complete our file were on hand, the Commission would consider such action as they deemed necessary at the forthcoming hearing.

We have contacted the Attorney General's office in regard to several pending requests for opinions, said opinions being (a) a joint request from Registrar of Contractors and the Commission as to whether or not the Registrar of Contractors can under existing laws require the registration of an oil and/or gas well driller and if so whether this authority can be exercised on federal, state, fee, and Indian lands; (b) the re-drafting of our bond form so as to give the Commission the option to either require the actual plugging of the well or to accept the payment of monies in compliance by the bonding company's obligations; (c) an opinion as to several points arising from the Harless situation, such as a method whereby a permit once granted may be cancelled due to non-compliance with Commission Rules and Regulations. We were advised that our requests had been given to Mr. John McGowan and no estimate was made as to when any of these might be forthcoming.

Our Senate Appropriations budget hearing is set for Wednesday, February 8, at 8:00 a.m. To date we have not been contacted by the House Appropriation Committee as to an appearance before them.

It has been indicated by the Arizona Oil and Gas Association that they would invite the Executive Secretary to appear on a panel of speakers which will carry Arizona's oil and gas stories to civic groups and other organizations requesting this service throughout the state. Pending approval from the Commission, the Executive Secretary has not as yet committed himself to these appearances.

Governor Williams has requested that Senator Lockhart and John Bannister attend the Interstate Oil Compact Commission Executive Committee meeting in Biloxi, Mississippi, on March 6.

New Permits:

Kerr-McGee #1 Navajo, SE SW 32-36N-30E, Apache County
(Permit to re-enter)

Kerr-McGee #4A State, SW NE 32-20N-26E, Apache County

Tenneco has now completed five wells in its current program with no reported shows. However, the time allowed for the filing of various reports in compliance with our Rules and Regulations has

not expired and Tenneco is taking full advantage of these allowed times, so the Commission does not as yet have the complete story on this exploration program.

Indications are that Tenneco, who is now moving to its #1 Federal C, located SE NW 22-11N-28E, Apache County, will drill at least one more test in addition to the Federal C well, and may drill beyond this. As you recall, the initial filing was for four locations. Tenneco will be drilling their sixth well, the Federal C, in this series. The Federal C is being drilled instead of their announced #1 Aztec Land.

The Steinberg #1A Flowalt Babbitt, SE SW 24-19N-10E, Coconino County, is as of February 6 running out its last bit and further drilling operations will probably cease by midnight that date. Logging and plugging operations will then be undertaken. There have been no reported shows or indications on this well.

From all indications, the calendar year of 1967 appears to be shaping up as one of much activity for our State, the activity being spurred on by the Kerr-McGee discovery and certain geological similarities in the areas immediately south of the Navajo Reservation in Apache and Navajo Counties, plus the impetus being given by the helium prices and the potential of a new plant. It is anticipated that there will be drilling in the not too distant future in Cochise County.

With the permission of Dr. Willard Pye, University of Arizona, this Commission is reproducing for distribution his paper given before the recent IOCC meeting in Phoenix concerning the vast potential for oil and gas in Arizona.

The office is anticipating the preparation of an extension to the geological map prepared in June, 1966 and distributed by this office. This extension of course is conditioned upon having sufficient available funds towards the end of the current fiscal year.

We would like to call to your attention that the office will be closed February 13 and 14 due to the celebration of the holidays for Lincoln's Birthday and Statehood Day.



SARASOTA GOVERNOR

LYNN LOCKHART
CHAIRMAN

ORME LEWIS
VICE CHAIRMAN

HIRAM S. CORBETT
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

February 8, 1967

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

January 20. Pinedale: Tenneco #1 Federal
Depth 1673 feet. Fishing for tools

Flagstaff: Steinberg.
Drilling at 4050 feet

January 27. Flagstaff: Steinberg
Drilling 4818 feet

February 3. Sedona: Harless wells
Check locations: Rig has been moved from #27B to
new location which is approx ½ mile NW of #36C.
New mud pit and cellar prepared. Have not yet
spudded. No application for permit has been filed.
(Approximate position of new location: SW¼ SW¼
Sec. 35-18N-4E, Yavapai County)

February 6. Lukachukai (Apache County).
Kerr-McGee #1 Navajo - discovery well. (Pennsyl-
vanian) Installing two 500 barrel tanks; install-
ing National #160 pumping unit. Clearing new lo-
cation: SE NW Sec. 32-36N-30E.
Well data: Total depth 3864' in granite
Perforations: 2860-85 (Pennsylvanian)
After acid and frac jobs well swabbed
at rate of 24½ barrels per hour. For-
mation pressure approximately 600#.

February 7. Flagstaff. Steinberg
T.D. 6040 feet. Running drill stem test 4775-4805
(possible show helium).

Harless: Rig still standing on new location. Has
not spudded.

MONTHLY FINANCIAL REPORT

RECEIPTS MONTH OF	RECEIPTS CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
Jan 19 67	1-7-10-060-0000			
50 00	1 Application for Permit to Drill		50 00	550 00
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
50 00	TOTAL CURRENT MONTH RECEIPTS		50 00	XXXXXX
XXXXXX	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD		9,245 00	XXXXXX
50 00	TOTALS - MONTH AND YEAR TO DATE		9,295 00	550 00

CLAIMS PAID MONTH OF	EXPENDITURES FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE	Total Ap-Proprietion	Balance of Appropriation
Jan 19 67							
8,840 00	1 Personal Services	22,125 00	17,005 00		5,120 00	29,500 00	7,375 00
321 77	2 Current Expenditures	5,512 50	1,764 31	400 65	3,347 54	7,350 00	1,637 50
	3 Subscrip-Organ Dues						
384 75	4 Travel-State	5,000 00	2,258 84	335 00	2,406 16	5,000 00	
	5 Travel-out of State	2,500 00	574 68		1,925 32	2,500 00	
	6 Capital Outlay-Equip	2,500 00	1,977 71		522 29	2,500 00	
47 33	7 Current Fixed Charges	600 00	161 81	90 00	348 19	600 00	
30 00	8 Professional Services	2,000 00	30 00		1,970 00	2,000 00	
	9 Museum No. Arizona	1,875 00	1,250 00	625 00		2,500 00	625 00
625 00	10 Ariz. BuMines, UofA	1,875 00	1,875 00			2,500 00	625 00
	11						
	12						
	13						
	14						
	15						
	16						
	17						
	18						
	19						
	20						
	21						
	22						
	23						
	24						
	25						
	26						
	27						
	28						
	29						
	30						
4,243 85	TOTALS	43,987 50	26,897 35	1,450 65	15,639 50	54,450 00	10,462 50

FORM 12-A POST AUDITOR TO BE FILED WITH THE POST AUDITOR BY THE 15TH OF EACH MONTH

AGENCY Oil & Gas Conservation Commission IDENTIFICATION CODE NO. 1-7-10-000-0000

DIVISION _____ FOR THE MONTH OF Jan 19 67

AGENCY Oil & Gas Conservation Commission

DIVISION _____ IDENTIFICATION CODE NO. 1-7-10-000-0000

1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF <u>Jan 1967</u>
15,505.00	110	1 Personal Services: Salaries & wages, employees	2,215.00
4,500.00	150	2 " " : Per Diem, Board Members	625.00
		3	
		4	
200.79	211	5 Postage	95.05
850.54	212	6 Telephone, telegraph	156.66
2,258.94	220	7 Travel-State	384.75
574.68	230	8 Travel-out of State	
30.00	240	9 Professional Services	30.00
20.26	262	10 Maintenance/repairs to office equip., furn.	
	294	11 Legal advt., notary/court/recording fees	
5.50	295	12 Transportation of Things (shipping samples)	5.50
3,129.10	299	13 Miscellaneous (blue prints, ArizBuMines, Museum)	625.00
		14	
		15	
		16	
198.96	310	17 Office supplies	40.32
243.53	360	18 Scientific supplies (drafting, correlated logs)	21.61
42	370	19 Maintenance Supplies	
9.72	390	20 Other Supplies (Film)	2.63
		21	
		22	
71.85	411	23 Rent office equip (xerox)	37.33
		24	
		25	
	421	26 Bonds of officials and employees	5.00
70.45	430	27 Subscriptions & Orgn Dues	
		28	
		29	
		30	
	611	31 Capital outlay: Office Equip & Furniture	
	614	32 " " Medical & Scientific Equip.	
1,977.71	616	33 " " Automotive Equipment	
		34	
		35	
250.00	995	36 Creating Revolving Funds	
		37	
		38	
		39	
		40	
		41	
		42	
		43	
		44	
		45	
		46	
		47	
		48	
		49	
		50	
		51	
		52	
		53	
		54	
		55	
		TOTAL	4,243.85

26,877.35

OFFICE AUDIT: BY: _____ DATE: _____

(DO NOT WRITE BELOW THIS LINE)
TYPED: _____

FIELD AUDIT: BY: _____ DATE: _____

DATE RECEIVED: _____