

OIL & GAS CONSERVATION COMMISSION
Meeting: March 15, 1967
Mr. John Bannister, Executive Secy

From the Desk of

JOHN BANNISTER

Note: Comm. Salaries
to date

Lynn (7)	-	\$ 175.00 ✓
Siler (2)		50.00
Corbett (2)		50.00
Owens (2)		50.00
Bentson (1)		25.00
		<u>\$ 350.00 ✓</u>
		Available \$ 315.00

.00 Sc

2,530.00
Available 2,215.00 T
for (315.00 N)
Commission

LL for 150.00 T
Betal trip 165.00 Sc

5 days
Available for
rest of Commis

Adler	2	50
Chubb	2	50
Wynn	2	50
Lewis	1	25
	7	50
		<u>225.00</u>

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA
1624 West Adams - Room 202
Phoenix, Arizona 85007

A G E N D A

Meeting
March 15, 1967
Arizona Highway Department Auditorium
206 S. 17th Ave., Phoenix, Arizona

9:00 a.m.

Call to order

1. ✓ Approval of minutes of meeting of
February 15, 1967

2. ✓ Executive Secretary's Report

3. ✓ Geologist's Report

4. ✓ Old business

5. New business
Election of vice chairman - Owens
Bond revision

9:30 a.m.

Adjourn.

Immediately enter into Hearing, Case 22,
Apache Drilling Co., Inc.'s request to
consider changing or amending Commission
Rule 105 concerning the spacing of wells.

2:30 p.m.

Hearing, Case 23, on motion of James R. Pickett
Room 204, Commission's meeting room, 1624 West
Adams, Phoenix

Salaries
2:15 pm
all comm.
my office

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

Minutes of Meeting
February 15, 1967

Present:

Mr. Lynn Lockhart, Chairman
Mr. Orme Lewis, Vice Chairman
Mr. Hiram S. Corbett, Member
Mr. Lucien B. Owens, Member
Mr. George T. Siler, Member
Mr. John Bannister, Executive Secretary
Mr. James R. Scurlock, Geologist
Mr. Jordan Green, Assistant Attorney General
Mr. Phil McGrath, U.S. Geological Survey
Mr. F.C. Ryan, State Land Department
Dr. Willard D. Pye, University of Arizona
Mr. John Brennan
Mr. B.M. Timerlin
Mr. Mike O'Donnell
Mr. James R. Pickett
Dr. Charles Kalil
Mr. Cecil E. Cope
Mr. Robert G. Karlson
Mr. Joe B. Barrett
Miss Claudia Baum

Chairman Lockhart called the meeting to order at 9:10 a.m.

Minutes of the meeting of January 18, 1967 were duly approved.

Executive Secretary's report was acknowledged ; Geologist's report was acknowledged as received.

It was re-affirmed that the financial report as supplemented on the post auditor's forms was satisfactory.

It was agreed that Chairman Lockhart and Mr. Bannister should attend the Executive Committee meeting of Interstate Oil Compact Commission in Biloxi, Mississippi on March 6, 1967, as suggested by Governor Williams.

In response to the specific request from Apache Drilling Co. Inc. for hearing to consider changes to the current rules on spacing, hearing was scheduled in conjunction with the next regular meeting, on Wednesday, March 15, 1967, at 9:30 a.m. in the Arizona Highway Department auditorium.

Minutes of Meeting
February 15, 1967
Page 2

It was directed that the Executive Secretary prepare a letter of condolence to the widow of Senator Clarence Carpenter for signature by all commissioners. While awaiting the appearance of the assistant attorney general this letter was prepared.

Mr. Jordan Green, assistant attorney general, notified the Commission that in view of the writ of prohibition served at 8:02 a.m. this date, the hearing scheduled for 9:30 a.m. could not be held.

Meeting adjourned at 10:15 a.m.



SAMUEL P. CORDARO
GOVERNOR

LYNN LOCKHART
CHAIRMAN

ORNE 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

Tucson, Arizona 85007

PHONE: 271-5161

JOHN BANNISTER
EXECUTIVE SECRETARY

J. R. SCURLOCK
PETROLEUM GEOLOGIST

March 7, 1967

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

February 17, 1967. Cottonwood.

Checked Harless locations. Cable tool rig (which had been sitting on #27B) had been moved to new location near (estimated) center SW/4 Sec. 35-18N-4E, with pits and cellar dug. No permit has been issued (nor applied for) on this location, which lies approximately one-half mile NE of the old #36C (NE NE Sec. 3-17N-4E).

February 20-21, 1967. Tucson

Conferred with Dr. Pye re mapping projects to be undertaken by the Commission this spring. Attended luncheon meeting Arizona Oil and Gas Association, which met with Tucson Chamber of Commerce

-#-

Kerr McGee #1 Navajo

Pumping about 600 barrels oil (43.5° gravity) per day with no water. Very small amount of gas being produced.

March 2	pumped	588	barrels oil
March 3	"	622	barrels oil
March 4	"	609	barrels oil
March 5	"	622	barrels oil
March 6	"	559	barrels oil
March 7	"	573	

Kerr-McGee #2 Navajo

Total depth 3,275 feet. Cored pay zone: Cored intervals:

Core #1	3000'-3042'	
Core #2	3042'-3085'	Igneous rock in the lower
Core #3	3085'-3145'	Pennsylvanian
Core #4	3145'-3178'	

perforated 3060-3114 feet with two jet shots per foot.

spotted 500 gallons acetic acid to clean up mud.

fractured with 22,000 gallons oil and 20,000 pounds sand.

swabbed 100 barrels oil in 1-3/4 hours

swabbed 460 barrels oil in 9½ hours

Continuing to swab. Looks good!

Kerr-McGee #3 Navajo

Spudded February 28, 1967

Kerr-McGee #1B Navajo

Preparing to spud. Have brought in second rig for more rapid development of field. They are drilling on 160-acre pattern. May fill in later on 80-acre pattern.

New locations staked:

Kerr-McGee #4 Navajo, SE NE Sec. 32-36N-30E

Kerr McGee #2B Navajo, SE NE Sec. 5-35N-30E

Kerr-McGee attempting to stake another location SE SE 31-36N-30E if rough topography permits. This would make 7th location.



SAMUEL R. GODDARD
GOVERNOR

LYNN LOCKHART
CHAIRMAN

ORNE 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

March 3, 1967

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

As you have been notified, there will be two hearings on Wednesday, March 15, 1967. The first will be the spacing hearing scheduled at the Highway Department Auditorium at 9:30 a.m. This will be preceded by a short regular Commission meeting, which will begin promptly at 9:00 a.m. in the conference room just off the auditorium.

At 2:30 p.m. there will be a hearing in the Commission's own meeting room on the Henderson Operator #1 State. All necessary arrangements and provisions have been made for both of these hearings.

At this writing Kerr-McGee is setting pipe at its #2 Navajo well which will be the confirmation to the discovery well. Of course we have not as yet received reports of tests to be made on the confirmation well; however, all indications point to a most favorable completion. At this time it is anticipated that we have an extremely important discovery field within our State.

As previously advised, Kerr-McGee is Developing this field on 160-acre spacing in order to bring on a more rapid outline of the structure with the thought that should it be necessary to in-fill drill this can be done at a later date and consequently the field developed with optimum economics.

JCM Drilling Company has filed application for a permit for its #1 Navajo-Mobil well located in the NW NW 16-39N-25E, Apache County. This well is approximately twenty miles northwest of Kerr-McGee's discovery and is being drilled on a farmout from Mobil Oil Company.

There is indication that in view of the Kerr-McGee discovery Buttes Gas and Oil Company well will be re-entered.

As you are aware, Kerr-McGee has also drilled its #4A State, located SWNE 32-20N-26E in the Pinta Dome area. The potential of this well is only 30MCF per day and is of course a disappointment to the operator. However, this well being a replacement of the #4 State will be produced.

Mr. Scurlock and I attended the Oil and Gas Association program given in conjunction with the Tucson Chamber of Commerce on February 21, 1967. This program has been modified since originally given and in my opinion now brings a more accurate picture of Arizona's potential.

It is contemplated that the same program will be given across the State whenever invited or requested. Currently it is scheduled to be given on Monday, March 6, in Flagstaff and that same evening in Prescott.

The program consists of a general geological description of Arizona, wherein its current potential is pointed out. This is followed by a not to technical discussion of the actual drilling of an oil well and the problems encountered; then a summary of the potential economic impact of a successful helium producing industry to the State.

The Executive Secretary will probably be asked to join this discussion group to point out the role of the Conservation Commission.

Senator Lockhart and I will leave Sunday, March 5, for the Executive Committee meeting of IOCC in Biloxi, Mississippi.

The complaint of Harless and associates has been filed with Superior Court, and the Attorney General is presently preparing the State's answer. The importance of this case has been pointed out to the Attorney General and I feel that they will expend their utmost effort in defending the Commission's right to hold its hearings in all cases.

The quarterly allotment for the commissioners salaries now has a balance of \$315.00. As you are aware, it is impossible to draw upon the fourth quarter allotment to pay for any activities in the third quarter.

New Permits:

- 379: Kerr-McGee #2 Navajo, SE NW 32-36N-30E, Apache County
- 380: Kerr-McGee #3 Navajo, SE SE 32-36N-30E, Apache County
- 381: Kerr-McGee #1B Navajo, SE NW 5-35N-30E, Apache County
- 382: JCM Drilling #1 Navajo-Mobil, NW NW 16-39N-25E, Apache County (Holding issuance of permit; awaiting receipt of bond)

New Permits (continued)

383: Henderson Operator #1 State 8665, NW NW 16-18N-25E,
Apache County

In addition, Mobil Oil Company is contemplating a farmout to
American Natural Resources Company for a well to be located
NW SW 16-39N-25E, Apache County.

March 6, 1967

Applications arrived in the office today from Kerr-McGee
for their #4 Navajo, SE NE 32-36N-30E, and for their
#2B, SE NE 5-35N-30E, Apache County. The applications of
course will be held until Mr. Bannister's return to the
office.

March 10, 1967

Mr. William E. Eubank
Chief Assistant Attorney General
159 Capitol Building
Phoenix, Arizona 85007

Dear Mr. Eubank:

As you are aware, this Commission is holding two hearings on Wednesday, March 15, 1967.

The first hearing will be at 9:30 a.m., in the Arizona Highway Department Auditorium, 206 S. 17th Avenue, and will be concerned with our spacing regulation.

The second hearing will be Wednesday afternoon, March 15, 1967, at 2:30 p.m. in the Commission's hearing room, Room 204, 1624 W. Adams, and will concern the issuance by the Commission of a permit to drill to Henderson Operator Company.

The purpose of this letter is to confirm our telephone request of March 8, 1967 that a representative from your office be present for the hearings. We specifically request that in the event time is of prime consideration to your office, that a representative from your office particularly and specifically be present at the hearing of 2:30 p.m.

Your cooperation is very much appreciated.

Very truly yours,

John Bannister
Executive Secretary
mr

March 10, 1967

Mr. Kenneth G. Bentson
2518 East Osborn Road
Phoenix, Arizona

Dear Mr. Bentson:

This office was pleased to learn of your appointment as one of the Commissioners for the Oil and Gas Conservation Commission. We have not yet received information that your appointment has been confirmed by the Senate, but are assured that it will be forthcoming in the near future.

In the interim pending confirmation you are most cordially invited to attend the Commission meeting and hearings to be held on Wednesday, March 15, 1967.

The Commission normally meets the third Wednesday of each month. Our calendar for March 15, 1967 has a meeting of the Commission scheduled for 9:00 a.m. in the Arizona Highway Department Auditorium, 206 S. 17th Avenue, Phoenix. This will be followed immediately at 9:30 a.m. by a hearing concerned with our spacing regulation, Rule 105.

Then, the afternoon of March 15, at 2:30 p.m., in the Commission's hearing room, Room 204, 1624 W. Adams Street, Phoenix, another hearing is scheduled concerning a permit to drill issued by this Commission. For your information enclosed is copy of the letter forwarded to the other commissioners.

For your information we are enclosing a copy of our Rules and Regulations. This also contains the pertinent statutes of the Oil and Gas Conservation Commission.

As you may have noticed in the newspaper, an important discovery has been made by Kerr-McGee Corporation in the northeastern part of the State. We are enclosing copy concerning this.

Please be assured this office stands ready to be of help to you in any way. We are all looking forward to making your acquaintance.

Sincerely,

John Bannister
Executive Secretary
MB

MONTHLY FINANCIAL REPORT

1	2	3	4	5
RECEIPTS MONTH OF Feb 1967	RECEIPTS CLASSIFICATION 1-7-10-060-0000	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
75.00	1 Application for Permit to Drill		75.00	625.00
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
75.00	TOTAL CURRENT MONTH RECEIPTS		75.00	XXXXXX
XXXXXX	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD		9,275.25	XXXXXX
75.00	TOTALS - MONTH AND YEAR TO DATE		9,370.25	625.00

6	7	8	9	10	11	Total Appropri	Balance Appropriation
CLAIMS PAID MONTH OF Feb 1967	EXPENDITURES FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE		
2,542.00	1 Personal Services	22,175.00	19,595.00		2,530.00	29,500.00	7,375.00
643.27	2 Current Expenditures	5,512.50	2,407.58	76.00	3,028.92	7,350.00	1,837.50
	8 Subscriptions-Open Dues						
655.60	4 Travel-State	5,000.00	2,974.44	35.00	2,050.56	5,000.00	
	5 Travel-out of State	2,500.00	574.68	680.90	1,244.42	2,500.00	
	6 Capital Outlay-Equip	2,500.00	1,977.71		522.29	2,500.00	
56.76	7 Current Fixed Charges	600.00	218.07	30.00	351.93	600.00	
10.00	8 Professional Services	2,000.00	40.00		1,960.00	2,000.00	
	9 Museum No. Arizona	1,875.00	1,250.00	625.00		2,500.00	625.00
	10 Ariz. BuNines, UofA	1,875.00	1,875.00			2,500.00	625.00
	11						
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	29						
	30						
3,955.13	TOTALS	43,987.50	30,852.48	1,446.90	11,688.12	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

32x

25x

TWIN FALLS CRK. PARADOX

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 Feb 19 67
17,720.00	110	1 Personal Services: Salaries & wages, employees	2,215.00
1,875.00	150	2 " " : Per diem, Board Members	375.00
		3	
		4	
200.79	211	5 Postage	
948.44	212	6 Telephone, telegraph	97.90
2,914.44	220	7 Travel-State	655.60
574.69	230	8 Travel-out of State	
40.00	240	9 Professional Services	10.00
20.26	262	10 Maintenance/repairs to office equip., furn.	
125.85	294	11 Legal advt., notary/court/recording fees	125.85
5.50	295	12 Transportation of Things (shipping samples)	
3,129.10	299	13 Miscellaneous (blue prints, ArizBuMines, Museum)	
		14	
		15	
		16	
580.96	310	17 Office supplies	382.00
257.44	360	18 Scientific supplies (drafting, correlated logs)	13.91
42	370	19 Maintenance Supplies	
33.33	390	20 Other Supplies	23.61
		21	
		22	
108.11	411	23 Rent office equip (xerox)	36.26
		24	
		25	
	421	26 Bonds of officials and employees	
90.45	430	27 Subscriptions & Orgn Dues	20.00
		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	
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		40	
		41	
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		53	
		54	
		55	
30,852.48		TOTAL	3,955.13

OFFICE
AUDIT:

(DO NOT WRITE BELOW THIS LINE)
TYPED:

FIELD
AUDIT:

BY: _____ DATE: _____

BY: _____ DATE: _____

BY: _____ DATE: _____

S T A T E O F A R I Z O N A
O I L , G A S , A N D H E L I U M P R O D U C T I O N - J A N U A R Y 1 9 6 7

Operator	Well Name	Field	Formation	Barrels	Production	Cumulative
				1967	1967	
<u>O I L</u>						
El Paso Nat. Gas Co.	Navajo #1	Bita Peak	Ismay	414	414	10,961
Humble Oil & Ref. Co.	Navajo E#1	E Boundary Butte	Paradox	1,968	1,968	124,906
	Navajo #1	"	"	952	952	46,997
Monsanto Chemical Co.	Navajo 138 #1	Dry Mesa	Mississippian	786	786	135,369
	Navajo 138 #3	"	"	5,597	5,597	194,818
Pan American Pet. Co.	Navajo O#1	Undesignated	Ismay	689	689	14,821
Shell Oil Co.	Navajo 23-11	E Boundary Butte	Paradox	171	171	16,044
	Navajo #2	"	"	21	21	1,573
Superior Oil Co.	Navajo H 14-16	Twin Falls Crk.	"	0	0	657
Texaco Inc.	Navajo AG #1	Walker Crk.	Devonian	1,431	1,431	79,067
	Production from wells not currently producing.....					21,379
TOTAL C I L.....				12,029	12,029	646,592
<u>H E L I U M</u>						
Kerr McGee Corp.	Fee #1 Unit III	Pinta Dome	Cocconino	3,119	3,119	366,968
	Fee #2 Unit VIII	"	"	7,575	7,575	406,486
	State #1 Unit VI	"	"	8,456	8,456	265,334
	State #3A Unit IV	"	"	5,100	5,100	39,348
	State #2 Unit V	"	"	14,495	14,495	829,961
	State #4 Unit I	"	"	6	6	48,228
	State 1-28 Unit II	"	"	2,855	2,855	362,064
	State 1-10 Unit X	"	"	292	292	38,933
	State 1-2 Unit IX	"	"	2,170	2,170	165,225
	Barfoot #1 State	Navajo Springs	"	4,663	4,663	133,544
	Santa Fe #13	"	"	20,277	20,277	274,341
TOTAL H E L I U M.....				69,008	69,008	2,930,432
<u>N A T U R A L G A S</u>						
Humble Oil & Refining Co.	Navajo E#1	E Boundary Butte	Paradox	659	659	512,680
	Navajo #1	"	"	5,951	5,951	1,019,321
El Paso Natural Gas Co.	Navajo #1	Bita Peak	Ismay	88,286	88,286	2,053,746
Pan American Pet. Co.	Navajo O#1	Undesignated	"	1,497	1,497	531,178
Shell Oil Co.	Navajo 23-11	E Boundary Butte	Paradox	18,854	18,854	1,146,863
	Navajo #2	"	"	12,918	12,918	673,105
	Navajo #2	E	"	1,871	1,871	626,802
	Franco Wyo #1 Navajo	N Toh Atin	"	1,218	1,218	200,037
	Navajo H 14-16	Twin Falls Crk.	"	1,218	1,218	200,037
Superior Oil Co.				1,218	1,218	200,037
TOTAL NATURAL GAS.....				131,254	131,254	6,763,732

M C F

M C F

M C F