

OIL & GAS CONSERVATION COMMISSION  
April 24, 1968  
Mr John Bannister, Exec. Secretary

Grand Jurors Emergency Order  
Call Meeting for Tuesday 5-15-68

A G E N D A

Meeting  
April 24, 1968

Palo Verde Room, Stardust Hotel

2350 - 4th Ave., Yuma

Include Rule  
Call to whole  
situation

9:30 a.m. Call to order, business meeting

1. Approval of minutes of meeting of February 21, 1968
2. Executive Secretary's Report
3. Geologist's Report
4. Old business
5. New business

W. J. B. B. B.

10:00 a.m. Dineh bi Keyah Oil Field Pictorial Report

Exploratory Strat Tests in Yuma County  
Mr. Tom Hollenshead, Senior Geologist  
Land and Exploration Department  
El Paso Natural Gas Company

Oil and Gas Possibilities of Southwestern Arizona  
Dr. Willard Pye, Professor of Geology  
University of Arizona

Question and Answer Period

Adjourn

This is of course a public meeting; any questions or comments  
are welcomed from persons attending the meeting.

OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
ROOM 202  
1824 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-5161

April 12, 1968

NEWS RELEASE

The Oil and Gas Conservation Commission will hold its next regular meeting Wednesday, April 24, 1968, 10:00 a.m., in the Palo Verde Room of the Stardust Hotel, 2350 - 4th Ave., Yuma, Arizona. This meeting is a public meeting and all those interested in oil and gas development in the State of Arizona are urged to attend. This Commission makes a policy of occasionally moving its regular meetings to various areas of the State so that the citizens of these areas may participate conveniently.

The recent discovery of large deposits of oil and gas in the northeastern part of our State has resulted in the largest number of exploratory holes drilled within our history. More recently discoveries in Washington County, Utah have created a great amount of interest in the oil and gas possibilities in the western section of our State.

Many companies have expressed interest to the Commission in Yuma County, and in particular the City of Yuma area and the Parker area. El Paso Natural Gas Company has in the past year leased in excess of 70,000 acres in the Parker area. Mr. Tom Hollenshead, Senior Geologist, Land and Exploration Department, El Paso Natural Gas Company, will discuss that company's current strat test program in Yuma County. Dr. Willard Pye, Professor of Geology, University of Arizona, will discuss briefly the oil and gas geology of the southwestern section of the State and the Commission will present a brief showing of color slides pertaining to the recent oil discovery on the Navajo

News Release  
April 12, 1968  
Page 2

Indian Reservation. Questions and discussion are invited from those attending the meeting.

Currently the chairman of the Oil and Gas Conservation Commission is Lucien B. Owens, Holbrook; Vice-chairman is George T. Siler, Flagstaff. The members are: Lynn Lockhart, Springerville; Kenneth G. Bentson, Phoenix; and Ralph W. Bilby, Tucson. Mr. John Bannister is executive secretary and James R. Scurlock is its geologist.

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

Minutes of Meeting  
February 21, 1968

Present:

Mr. Lucien B. Owens, Chairman  
Mr. George T. Siler, Vice Chairman  
Mr. Ralph W. Bilby, Member  
Mr. Lynn Lockhart, Member  
Mr. John Bannister, Executive Secretary  
Mr. James R. Scurlock, Geologist  
Mr. David Rainey, El Paso Natural Gas Company  
Mr. Robert Manning, El Paso Natural Gas Company  
Dr. Willard Pye, University of Arizona  
Mr. Mike O'Donnell, O'Donnell & Ewing Drilling Co. Inc.

Chairman Owens called the meeting to order at 9:30 a.m. Minutes of meeting of January 17, 1968 were approved.

Mr. Bannister officially stated appreciation to El Paso Natural Gas Company for its preparation for the Commission of the gas well back-pressure testing manual for use in testing Arizona's gas wells.

Mr. Rainey cited the history in preparation of the IOCC manual and the New Mexico manual in standardizing testing procedures across the nation. Mr. Owens expressed the appreciation of the Commission and directed Mr. Bannister to write a letter of appreciation to El Paso Natural Gas Company for its action in supplying manuals to the Commission.

It was decided that the next regular meeting of March 20, 1968 be held in Yuma and Mr. Bannister was directed to make necessary arrangements. It was further decided that tentatively the regular meeting of April 17, 1968 be held in Cochise County, with Bisbee as the possible site, depending upon the activity in that county; and that the May and June regular meetings possibly should be held in Phoenix, and then possibly the July meeting should be held in Holbrook, the area of helium activity.

Meeting adjourned at 11:40 a.m.

APPROVED APRIL 17, 1968

by \_\_\_\_\_  
Lucien B. Owens, Chairman



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
ROOM 202  
1624 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-5161

April 16, 1968

Memo to: Commissioners  
From: John Bannister, Executive Secretary

Re: Report of Activity

On November 15, 1967 the Commission issued Order 30 approving the Pinta Dome Unit. Through inadvertence I failed to include in our findings that the required percentage of working interest and royalty interest owners had executed the unit agreement. This oversight is corrected by a nunc pro tunc order, a copy of which is attached. The effect of this order is merely to show that the Commission did find that the required percentages had executed the unit agreement and that the finding is now a matter of record.

I attended the Southwest Legal Institute annual meeting in Dallas on April 4-5. This institute covered such subjects as unitization on federal lands, laws concerning conflict of interest, titles, taxation in the industry, a summary of Gasbuggy, etc. In addition to attending the meetings, I was able to talk with several oil companies in the area, all of whom indicated a renewed interest in Arizona, specifically due to Dineh bi Keyah and the recent activity in Cochise County. It is my feeling that such meetings as this should be attended as funds will permit.

Leasing activity has somewhat slowed down in the State; however current interest seems high in the Cochise County area. Basin Petroleum #1 Davis Clark operations have been suspended pending a study of the situation by the operator. We do not as yet have indications as to whether or not Basin intends to pursue further drilling activity in this area.

It is interesting to note that most companies and independents feel that at some time Cochise County will become a valuable producing area. However inasmuch as greater depths are involved in reaching production, this area will be somewhat slow in developing. The leasing activity in the area is encouraging.

Our 1968-69 budget appropriation has been confirmed and I am pleased to report that the Commission was treated kindly this year. The raises authorized by the Commissioners at the time we tried for the supplemental budget will go into effect May 1st, due to availability of some salary monies primarily resulting from the cancellation of the regular monthly meetings.

In addition, the Commission will have money to put on the necessary additional personnel during 1968-69; these are a steno and one office man. This of course will be discussed with you at our next regular meeting. It is contemplated that this personnel can be hired to commence approximately August 1.

We have also been allowed sufficient capital outlay money to purchase a desk and chair for the new man. Inasmuch as our offices are now crowded, we are presently contemplating housing the new man and steno in our small conference room.

As you recall, we have discussed at length backpressure testing of gas wells, as called for in our rules and regulations, without venting gas. As reported, we have worked closely with Red Walsh to work up the necessary instructions. We now have proofs of the Commission's instructions.

Basically, the manual of backpressure testing by IOCC will be used. Inasmuch as this manual was issued on a pressure base of 14.73 psia and Arizona's pressure base is 15.025 psia, it was necessary to make certain adjustments. As you will again recall, a supplement to this manual was prepared by El Paso Natural Gas Company and furnished to this Commission.

In order to put this into effect it was necessary to devise two new reporting forms. Inasmuch as our Rule 401 gives the Commission authority to indicate the method in which these tests be conducted, it was not necessary to hold a hearing to institute this procedure. The forms and manuals will be available for your review.

You will note from your copy of the agenda for the Yuma meeting that we have a speaker from El Paso Natural Gas Company who will talk briefly on the tests being drilled in Yuma County. These tests are primarily to confirm the existence of an underground reservoir for storing gas. We feel such a talk will be of particular interest to people in Yuma County.

The business portion of the meeting will commence at 9:30 and the public interest meeting at 10:00 a.m. Reservations have been made for all indicating their attendance at the Stardust Hotel in Yuma for arrival on Tuesday, April 23. We will have a informal, pay-for-your-own get-together as usual on Tuesday evening April 23, in the Stardust. Should you have any questions concerning this meeting, please advise.

New Permits:

- 457: El Paso Natural Gas #1 Federal Butler Strat, SW SW 20-8N-13W, Yuma County
- 458: Hopkins Operator 28-1 Federal, SE SE 28-18N-5E, Yavapai County
- 459: El Paso Natural Gas #1 Federal La Posa Strat, NE NW 24-7N-19W, Yuma County
- 460: Cree #1 Scorse fee, SW SW 33-18N-20E, Navajo County

# GEOLOGIST'S REPORT

## Dineh bi Keyah Field

Humble #88-1. This well encountered the Pennsylvanian sill. Produced no oil but made up to 3,000,000 cubic feet of non-combustible gas. Well was squeezed and lower part of the sill was fractured and again put on production, this time making about half million cubic feet of gas. Well presently swabbing about 10 bbls load oil per day. Still have 300-400 bbls of load oil to recover. If well continues to swab at this rate, will probably request TA (temporary abandonment) status.

Humble #88-3 Well had been put on pump. Looks good. Will probably complete next week.

date	well pumped
April 14	144 bbls oil
" 15	166 " "
" 16	144 " "
" 17	147 " "
" 18	143 " "

Humble #88-4 Well recovered small amount of gas; no oil. Is now TA. May want to use this well in the future as a water disposal well...or perhaps will try again to complete.

Kerr McGee .. Has no rig working in the field at present. Oil runs this month will suffer a bit as a result of weather. Snow last night (Thurs. night) piled up 3 inches at the Kerr Mc yard (elevation 7500'), 6 inches at the # 6 well (elevation 8317'), and field vehicles with chains could not climb to the # 13 and #14 wells (elevation 8500.)

## Wildcats

Humble 146-1 (tight hole) Helium producer from Devonian. Well has been turned over to the production department for testing. (Well located 4 miles SE Dineh bi Keyah)

Humble 151-1 Have moved in completion rig. Perf. Cambrian sand 3836-60. Swabbed down. Flowed gas and mud. Began flowing gas and water. (Thought to be formation str.) Have run pressure bomb. Well presently shut in to determine bottom hole pressure. Plan to continue to shut in and flow well for various periods in order to determine deliverability rate. If well cannot be completed from this zone, will come up hole and test higher zones. Presently moving in test equipment. (Well located 6 miles SE Dineh bi Keyah Field)

Hallett Dev. Co. #1 State 10603 ( NE NE Sec. 36-19N-26E, Apache Co.)  
Operations ceased. Well capped. Shut down. May want to come back and attempt completion. Meanwhile have moved rig to Sec. 28 ( Hallett #1 State 10602)

Hallett Dev. Co. #1 State 10602 ( 2640 FNL, 1658 FEL; 19N-30E; Apache Co.) Moving in rotary rig. (Tom Wheat; phoenix)  
Well located 3 miles south of Pinta Dome.



Cree #1 Scourse Fee

(SW SW Sec 33 18N-20E; Navajo Co; located 4 miles west of Holbrook) Contractor: Circle "A" Drlg. Co.. This is a proposed 4500' basement test. *Spud 4-18-68*

El Paso Nat'l Gas #1 Fed Butler Strat ( SW SW Sec 20-8N-13W; Yuma Co.; Contractor: Barnes Drlg. Co. Well has been plugged ( Filled with Mud.) Located 10 mi. NW of Wenden)

El Paso Nat'l Gas #1 Fed La Posa Strat ( NE NW Sec 24-7N-19W; Yuma Co.; 16 miles SE of Parker) Moving in rig.

#####

FOUR CORNERS PIPELINE is 625 miles long reaching from Red Mesa, Ariz. to Los Angeles. Operated by Shell on behalf of the owners: Shell, Std. of Calif., Conoco, Atlantic Richfield, Gulf, and Superior. Oil is delivered to refineries belonging to: Std. of Calif, Texaco, Shell, Gulf, and Mobil. Dineh bi Keyah oil flows through this line to the coast.

<u>year</u>	<u>Bbls</u>
1963-----	24,667,871 bbls. run
64-----	21,479,955 " "
65-----	21,600,774 " "
66-----	19,609,700 " "
67-----	21,463,840 " " (Increase here due to Dineh bi Keyah)

About half of the oil run through this 16 in. line comes from southeast Utah, half from N. Mex and Ariz.

#####

Balance

4-8-68

Personal Services  
(salaries)

\$ 7,182.50

Current Expenditures

~~3,405.56~~  
3,200.85

Travel - state

819.15

(I have \$1400 worth of  
charge tickets on hand)

Travel - out of state

~~673.86~~  
686.46

Current Fixed Charges

140.09

Professional Services

387.64

Bu Mines

-0-

Mus N. Amz

625.00

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF ARIZONA

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL AND GAS CONSERVATION COM-  
MISSION OF THE STATE OF ARIZONA FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 28  
ORDER NO. 30A  
NUNC PRO TUNC

THE APPLICATION OF KERR-MCGEE CORPOR-  
ATION FOR AN ORDER TO CREATE THE  
PINTA DOME COCONINO SAND GAS POOL  
UNIT LOCATED IN A PORTION OF  
TOWNSHIPS 19 AND 20 NORTH AND  
RANGE 26E, APACHE COUNTY, ARIZONA.

ORDER OF THE COMMISSION

BY THE COMMISSION

This case was heard by the COMMISSION on November 15, 1967  
at the time and place designated. On November 15, 1967 the COMMIS-  
SION caused ORDER 30 to be issued. Through inadvertency this order  
failed to include under FINDINGS the following:

7. THAT the plan of unitization attached to the applica-  
tion on file herein, which plan of unitization is approved by this  
order, has now been signed or in writing ratified or approved by  
lessees of record of in excess of 90% of the unit area affected thereby,  
and by owners of record of 71.88% of the normal one-eighth royalty  
interests (exclusive of all interests owned by lessees or by subsidi-  
aries of any lessee) in and to the unit area.

NOW on this 8th day of April, 1968, the COMMISSION does here-  
by issue this order Nunc Pro Tunc to amend its Order 30 to include  
therein under FINDINGS the following:

Case No. 28  
Order No. 30A  
Nunc Pro Tunc  
Page 2

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thereby, and by owners of record of 71.88% of the normal one-eighth  
royalty interests (exclusive of all interests owned by lessees or by  
subsidiaries of any lessee) in and to the unit area.

DONE on the day and year hereinabove designated.

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

( S E A L ) By (Original Signed)

Attest: Lucien B. Owens, Chairman

(Original Signed)

John Bannister

Executive Secretary

Available for Sal \$ 45,350

Recom.	(Mo)	(Yr)	
Comm	\$ 250.00	\$ 3,000	\$ 34,800
Mary	550.00	6,600	
Jim	850.00	10,200	
John	1250.00	15,000	

New Personnel

Man @ \$700 = \$ 8400 } \$ 12,600  
Girl @ 350 = 4,200 }

Available towards \$ 12,600 is \$ 10,550

Suggestion if we hire both in August OK

- " ③ if we hire Man in July - can hire girl in Jan
- " ② if we hire Girl in July - can hire man in Oct

Now - Due to lockhart's illness & the couple of meetings not held salary raises can be given to personnel as of May 1, 1968 and \$25 will still revert to Gen. Fund from present budget

Travel in State - \$ 20.00 per day - close  
" out " - 30.00 " " "

Subdivision 91. OIL AND GAS CONSERVATION COMMISSION

Personal services

Professional services

1967-68  
29,500.00  
2,000.00

1968-69  
36,350.00  
2,000.00\*

45,350

OIL AND GAS CONSERVATION COMMISSION (continued)

Travel - state	5,000.00	5,545.00*
Travel - out of state	2,500.00	3,248.00
Current fixed charges	540.00	525.00
Other current expenditures	7,565.00	6,015.00
Capital outlay	0	582.00
Museum of northern Arizona for cores and cuttings - oil and gas wells	2,500.00	2,500.00
Bureau of mines - university of Arizona for cores and cuttings - oil and gas wells	2,500.00	2,500.00

File  
desk  
Chair

Total appropriation

52,105.00 \$ 59,265.00

68,265

\*These appropriations are exempt from the provisions of section 35-173, Arizona Revised Statutes, relating to quarterly allotments.

OIL AND GAS CONSERVATION FUND

From the oil and gas conservation fund the following is appropriated:

Personal services

\$ 9,000.00

*Personal Services*

*Approp.* 45,350.00  
*Exec. Sec.* 15,000.00 -  
*Qual. Sec.* 10,800.00 -  
*Sec. Cl.* 6,600.00 -  
 12,950.00 S

*Commis* 3,750.00 -  
 9,200.00 S

9,200.00 T

available for  
 additional  
 personnel  
~~Admin. Asst.~~  
 \$18,400.00  
 or  
 Clerk-steno  
 \$4,200.00

9,200.00  
 - 8,400.00  
 800.00

increases

Exec Sec

250<sup>00</sup> per mo.

Geologist

1250<sup>00</sup> per mo.

Secy Bkpr

110<sup>00</sup> per mo.

Commis

About

800<sup>00</sup> Annual



Apr. 1 8,290.00

250-  
250-  
150.  
220✓  

---

870

less  
staff salaries - 6,645.00  
@ 2215/mo

Commis salaries - ~~750.00~~  
@ 250/mo

---

balance 895<sup>00</sup>

Balance Apr 1 8,290<sup>00</sup>

staff salaries

@ 2,650<sup>00</sup> per mo

2 mos (May, June) - 5,300<sup>00</sup>

1 mo (Apr) 2,215<sup>00</sup>

Comm

@ 250/mo.

- 750<sup>00</sup>

---

25<sup>00</sup> to revert.

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
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IN THE MATTER OF THE HEARING CALLED  
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royalty interests (exclusive of all interests owned by lessees or by  
subsidiaries of any lessee) in and to the unit area.

DONE on the day and year hereinabove designated.

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

( S E A L ) By (Original Signed)

Attest:

Lucien B. Owens, Chairman

(Original Signed)

John Bannister

Executive Secretary  
ADDRESS: P. O. BOX 1000, PHOENIX, ARIZONA  
DATE: NOVEMBER 12, 1961  
SIGNED: JOHN BANNISTER  
WITNESSES: J. B. BANNISTER, JR. AND J. B. BANNISTER, III  
J. B. BANNISTER, JR. AND J. B. BANNISTER, III

NOV 15 1961  
ORDER NO. 30A  
PAGE 2

THE COMMISSIONER OF REVENUE  
RECEIVED NOV 15 1961  
NOV 15 1961  
NOV 15 1961

NOV 15 1961  
RECEIVED NOV 15 1961

# MONTHLY FINANCIAL REPORT

RECEIPTS MONTH OF	CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
Mar 19 68	1 Permit to Drill		25 00	925 00
25 00	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
25 00	TOTAL CURRENT MONTH RECEIPTS			XXXXXX
XXXXXX	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD		11,245 25	XXXXXX
25 00	TOTALS - MONTH AND YEAR TO DATE		11,270 25	925 00

CLAIMS PAID MONTH OF	EXPENDITURES FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
Mar 19 68	1 Personal Services	22,125 00	21,210 00		915 00
2,465 00	2 Current Expenditures	5,613 75	3,633 79	337 65	1,702 31
268 06	3 Travel-state	5,000 00	2,986 22		2,013 78
652 29	4 Travel-out of state	2,500 00	1,588 14		911 86
90 20	5 Capital Outlay				
43 40	6 Current Fixed Charges	540 00	399 91		140 09
200 00	7 Professional Services	2,000 00	1,612 36		387 64
	8 Museum N. Arizona	1,875 00	1,250 00		625 00
	9 Ariz. Bu Mines, UofA	1,875 00	1,875 00		
	10				
	11				
	12				
	13				
	14				
	15				
	16				
	17				
	18				
	19				
	20				
	21				
	22				
	23				
	24				
	25				
	26				
	27				
	28				
	29				
	30				
3,718 95	TOTALS	41,588 75	34,555 42	337 65	6,695 68

FORM 12-A POST AUDITOR

TO BE FILED WITH THE POST AUDITOR BY THE 15TH OF EACH MONTH

AGENCY *Oil & Gas Conserv. Commis -*

1. DIVISION		IDENTIFICATION CODE NO.	
1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF <i>Nov 19 68</i>
<i>19,935 00</i>	110	1 Salaries, wages: employees	<i>2,215 00</i>
<i>1,325 00</i>	150	2 Per diem: board members	<i>250 00</i>
		3	
		4	
<i>248 45</i>	211	5 Postage	
<i>1,176 21</i>	212	6 Telephone, telegraph	<i>121 95</i>
<i>2,986 22</i>	220	7 Travel-state	<i>652 29</i>
<i>1,588 14</i>	230	8 Travel-out of state	<i>90 20</i>
<i>1,612 36</i>	240	9 Professional services	<i>200 00</i>
<i>40 52</i>	262	10 Mntns/repairs to office equip., furnitures	<i>20 76</i>
<i>420 01</i>	294	11 Legal Advt. notary, court, recording fees	
<i>30 91</i>	295	12 Transportation of things (well samples)	
<i>3,147 32</i>	299	13 Miscellaneous (blueprint service, Ariz Bu Mine)	<i>16 96</i>
		14 Museum N Arizona )	
		15	
		16	
<i>992 45</i>	310	17 Office supplies	<i>100 89</i>
<i>426 00</i>	360	18 Scientific supplies: drafting, correlated logs	<i>8 00</i>
<i>1 12</i>	370	19 Duplicate keys	
<i>25 80</i>	390	20 Film	
		21	
		22	
		23	
		24	
<i>280 00</i>	411	25 Rent, office equip: copy machine	
<i>21 11</i>	417	26 U-haul Trailer rent	
		27	
		28	
<i>98 80</i>	430	29 Subscriptions/organizations dues	<i>143 40</i>
		30	
		31	
		32	
		33	
<i>250 00</i>	995	34 To create revolv fund	
		35	
		36	
		37	
		38	
		39	
		40	
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		42	
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		49	
		50	
		51	
		52	
		53	
		54	
		55	
<i>34,555 142</i>		TOTAL	<i>3,718 95</i>

OFFICE  
AUDIT:

(DO NOT WRITE BELOW THIS LINE)  
TYPED

FIELD  
AUDIT:

RECEIPTS MONTH OF	CLASSIFICATION	RECEIPTS	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
Feb 1968	1 Permit to Drill			100.00	900.00
100.00	2				
	3				
	4				
	5				
	6				
	7				
	8				
	9				
	10				
	11				
	12				
	13				
	14				
	15				
	16				
	17				
100.00	TOTAL CURRENT MONTH RECEIPTS				XXXXXX
XXXXXX	TRANSFERS IN				
XXXXXX	BALANCES BROUGHT FORWARD				
100.00	TOTALS - MONTH AND YEAR TO DATE			11,120.25	XXXXXX
				11,220.25	900.00

CLAIMS PAID MONTH OF	FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
Feb 19 68	1 Personal Services	22,125.00	18,745.00		3,380.00
2,215.00	2 Current Expenditures	5,673.75	3,365.73	86.26	2,221.76
734.06	3 Travel-state	5,000.00	2,333.93	1,022.13	1,643.94
312.56	4 Travel-out of state	2,500.00	1,497.94		1,002.06
183.51	5 Capital Outlay				
	6 Current Fixed Charges	540.00	356.51	20.00	163.49
21.11	7 Professional Services	2,000.00	1,412.36		587.64
	8 Museum N. Arizona	1,875.00	1,250.00		625.00
	9 Ariz. Bu Mines, UofA	1,875.00	1,875.00		
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3,466.24	TOTALS	41,588.75	30,836.47	1,128.39	9,263.89

FORIA 12-A POST AUDITOR

TO BE FILED WITH THE POST AUDITOR BY THE 15TH OF EACH MONTH

AGENCY		DIVISION		IDENTIFICATION CODE NO.	
1	2	3	4	5	6
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION		CLAIMS PAID MONTH OF	
17,720.00	110	1	Salaries, wages: employees	Feb. 1967	2,215.00
1,025.00	150	2	Per diem: board members		
		3			
		4			
248.45	211	5	Postage		
1,054.26	212	6	Telephone, telegraph		156.52
2,333.23	220	7	Travel-state		312.56
1,497.94	230	8	Travel-out of state		183.51
1,412.36	240	9	Professional services		
20.26	262	10	Mntns/repairs to office equip., furnitures		
420.01	294	11	Legal Advt. notary, court, recording fees		
30.91	295	12	Transportation of things (well samples)		
3,130.76	299	13	Miscellaneous (blueprint service, Ariz Bu Mine)		
		14	Museum N Arizona )		
		15			
		16			
891.56	310	17	Office supplies		539.75
418.00	360	18	Scientific supplies: drafting, correlated		57.79
1.12	370	19	Duplicate keys		
25.80	390	20	Film		
		21			
		22			
		23			
		24			
280.00	411	25	Rent, office equip: copy machine		
21.11	417	26	U-Haul Trailer rent		21.11
		27			
		28			
55.40	430	29	Subscriptions/organizations dues		
		30			
		31			
		32			
		33			
250.00	995	34	To create revolv fund		
		35			
		36			
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		53			
		54			
		55			
250,436.41		TOTAL			5,466.24

# MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF <i>Jan 1968</i>	2 CLASSIFICATION RECEIPTS	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
<i>200.00</i>	1 Permit to Drill		<i>200.00</i>	<i>200.00</i>
	2			
	3			
	4			
	5			
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	12			
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	14			
	15			
	16			
	17			
<i>200.00</i>	TOTAL CURRENT MONTH RECEIPTS			XXXXXXXX
XXXXXXXX	TRANSFERS IN			
XXXXXXXX	BALANCES BROUGHT FORWARD		<i>10,920.25</i>	XXXXXXXX
<i>200.00</i>	TOTALS - MONTH AND YEAR TO DATE		<i>11,120.25</i>	<i>800.00</i>

6 CLAIMS PAID MONTH OF <i>Jan 1968</i>	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
<i>2,415.00</i>	1 Personal Services	<i>22,125.00</i>	<i>16,530.00</i>		<i>5,595.00</i>
<i>240.67</i>	2 Current Expenditures	<i>5,673.75</i>	<i>2,631.67</i>	<i>561.12</i>	<i>2,480.96</i>
<i>486.64</i>	3 Travel-state	<i>5,000.00</i>	<i>2,021.37</i>	<i>1,096.60</i>	<i>1,882.03</i>
	4 Travel-out of state	<i>2,500.00</i>	<i>1,314.43</i>	<i>40.00</i>	<i>1,145.57</i>
	5 Capital Outlay				
<i>15.00</i>	6 Current Fixed Charges	<i>540.00</i>	<i>335.40</i>	<i>50.00</i>	<i>154.60</i>
	7 Professional Services	<i>2,000.00</i>	<i>1,412.36</i>		<i>587.64</i>
<i>625.00</i>	8 Museum N. Arizona	<i>1,875.00</i>	<i>1,250.00</i>		<i>625.00</i>
<i>625.00</i>	9 Ariz. Bu Mines, UofA	<i>1,875.00</i>	<i>1,875.00</i>		
	10				
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	30				
<i>4,407.31</i>	TOTALS	<i>41,588.75</i>	<i>27,370.23</i>	<i>1,747.72</i>	<i>12,470.80</i>

FORM 12-A POST AUDITOR

TO BE FILED WITH THE POST AUDITOR BY THE 15TH OF EACH MONTH



DIVISION

IDENTIFICATION CODE NO.

1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF
15,505.00	110	1 Salaries, wages: employees	1
4,025.00	150	2 Per diem: board members	2
		3	3
		4	4
448.45	211	5 Postage	5
917.74	212	6 Telephone, telegraph	6
2,021.37	220	7 Travel-state	7
1,314.43	230	8 Travel-out of state	8
4,412.36	240	9 Professional services	9
20.26	262	10 Mntns/repairs to office equip., furnitures	10
420.01	294	11 Legal Advt. notary, court, recording fees	11
30.91	295	12 Transportation of things (well samples)	12
3,130.36	299	13 Miscellaneous (blueprint service, Ariz Bu Mine)	13
		14 Museum N Arizona )	14
		15	15
		16	16
351.81	310	17 Office supplies	17
360.21	360	18 Scientific supplies: drafting, correlated to	18
1.12	370	19 Duplicate Keys	19
25.80	390	20 Film	20
		21	21
		22	22
		23	23
		24	24
280.00	411	25 Rent, office equip: copy machine	25
		26	26
		27	27
		28	28
55.40	430	29 Subscriptions/organizations dues	29
		30	30
		31	31
		32	32
		33	33
250.00	995	34 To create revolv fund	34
		35	35
		36	36
		37	37
		38	38
		39	39
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		42	42
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		45	45
		46	46
		47	47
		48	48
		49	49
		50	50
		51	51
		52	52
		53	53
		54	54
		55	55
27,370.33		TOTAL	4,407.31
OFFICE		(DO NOT WRITE BELOW THIS LINE)	FIELD

*Arizona is in fine shape in this regard. Our rules will prevent physical waste but not hamper production. JB*

## EDITORIAL

### New times demand a new conservation approach

THE CONSERVATION SYSTEM of virtually every producing state is due for a thorough reexamination and possibly drastic overhaul during the next couple of years.

The impetus will not be primarily the attacks on conservation made by theoretical economists, nor the potential threat of federal action, though these may be a bit of a spur.

Revisions will be forced by the necessity to maximize crude production as market demand approaches producing capacity.

OUR PRESENT SYSTEM was forced into being by the pressure of an overwhelming surplus of crude oil and producing capacity.

It did prevent physical waste at a time when the industry was not much concerned with that problem. But its primary objective was to curb outright wasteful practices, rather than to develop and encourage positive ways and means to improve the conservation of oil and gas production.

Now the situation seems headed for a reversal. During recent months the system has been strained to meet market needs, and many areas found to their shock that they no longer have surplus producing capacity.

If present trends continue it seems inevitable that within a year or two the nation's surplus crude capacity will be confined to a handful of giant fields in two or three states. The rest of the wells should find a market for all they can produce without waste.

So the regulatory emphasis should shift from curbing a surplus to preventing a shortage. The system must encourage discovery of new reserves, creation of new capacity, and production up to the maximum efficient rate of recovery.

This involves considerably more than just setting a high allowable factor. The fact that many wells can't make these high allowables shows that the system needs thorough-going revisions.

Most states have a crazy-quilt patchwork of formulas, exemptions, and obsolete rulings crying for simplification and updating. Both the need and the opportunity to make changes are now at hand.

Prime subjects for study include a practical definition of MER, a rational revision of depth brackets, elimination of the well factor in allowables formulas, easier unitization, and perhaps proration on the basis of reserves attributed to the acreage.

INDUSTRY MUST take the lead in this, not only in prodding the state authorities to move faster, but in lending technical know-how and manpower for forward-looking studies.

We can defend conservation as having served well under conditions of the past — but still recognize that it needs a change of orientation to serve the nation and the producing industry more effectively under the sort of supply-demand relationships that loom ahead.



OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
ROOM 202  
1624 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-5161

March 12, 1968

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

The Navajo lease sale of February 27, 1968 is generally considered as most successful, particularly as to the Arizona portion. You have previously received the report concerning the bid activity.

The Oil and Gas Journal and other trade publications are predicting continued and more active exploration in this area in particular and in Arizona generally.

As you have been notified, the next regular meeting, scheduled for Yuma on March 20, 1968, has been cancelled due to lack of quorum and it is anticipated that we will now schedule our April 17 meeting in Yuma. You will be contacted prior to that date so that reservations may be confirmed. Again, it is anticipated that as many as possible will bring their wives.

It is interesting to note that Basin Petroleum Corp., Oklahoma City, has re-entered the old Southwest Oil Company #1 Davis-Clark well, located southeast of Tombstone. This operation began about March 9 and I will check this well later this week and of course will furnish you with a report.

This well together with the recent leasing activity in Cochise County is creating much interest in this area of our state and of course if the well is successfully completed will generate further tests this year.

A major oil company, whose identity is unknown to me at this time, has taken approximately 30,000 acres of the lease play recently in Mohave County. This is somewhat more than one-half of the acreage taken by Tom Connally and Tom Moran. These two brokers still retain in excess of 20,000 acres in this area.

As you may be aware, Buttes Gas and Oil is drilling an offset to the Pease well, which is north of the Arizona-Utah border. Of course a confirmation by this well will greatly enhance the Arizona portion of this structure.

Some hundred miles north of the Pease well O'Donnell & Ewing is

drilling an offset to the Gould well. The original Gould well had significant shows of oil and gas, but had difficulty in cementing off the water in the production zone. It was temporarily abandoned pending the success of this new offset. If the offset is successful undoubtedly the old well will be re-entered.

The northern end of the structure, from Mohave generally northwest into Utah, will have been proven. Should both the Pease-Buttes wells and the O'Donnell-Gould wells prove successful, we will see tremendous activity in western Utah but also in Mohave County.

There have been some rumors of potential drilling in Mohave County regardless, however, this has not as yet been confirmed.

It is hoped that some time within the next two weeks or so I can accompany Mr. O'Donnell through the Utah portion of the structure. If I am able to accomplish this I will be able to view the full structure as well as visit the two Pease-Buttes wells and the two Gould wells. We are frequently requested to furnish information concerning these wells in relation to Arizona geology and this trip will be well worth the effort.

In the Dineh bi Keyah Field Humble has at last tied in pipeline to all its production and is no longer faced with undue expense of trucking. This of course will make more profitable a picture for Humble and could encourage their exploration.

It is interesting to note that in the Dineh bi Keyah Field Kerr-McGee has completed one new producer and Humble has two new producers, and there may be possible another new producer for Kerr-McGee in the near future. This will give us a total of 17 producers in that field.

Humble's #1-146 well, SE SW 15-35N-30E, has been temporarily abandoned as a potential helium well. Recently the Helium Activity of the Department of Interior has announced the closing of two helium plants, one in Otis, Kansas and one being the Shiprock, New Mexico plant. It is reported that the Shiprock plant will be taken over and operated as a private enterprise.

I expect that sometime this year Kerr-McGee will make a decision concerning the helium being found on the Dineh bi Keyah Field and that some arrangements will be made either to take this helium-bearing gas to the Kerr-McGee plant in Navajo or to construct a plant in the Dineh bi Keyah area. Of course there is also the possibility that if the Shiprock plant is taken over by private enterprise, gas could be moved over to this plant.

There has been no change in status concerning the Harless situation. While attending the Navajo sale in Window Rock I had the occasion to talk to Mr. John Anderson of U.S.G.S., Roswell. He indicated that sometime in April he will request a meeting of U.S.G.S., Harless, and this office wherein U.S.G.S. will give Mr. Harless the alternative of either plugging the wells immediately or their going to the bonding companies. As I have pointed out, U.S.G.S. does not have the court review of their actions as does this Commission.

As of this time apparently all three of the bills before the Legislature on behalf of this Commission are dead with no chance of passage. From all indications many bills are going to be lost due to internal friction within the Legislature. One of the governor's aides confidentially informed me that the governor is most displeased with the actions of the present Legislature in that so many bills, along with ours, are lost in the squabble.

At the first available opportunity we should again request the legislation sought in HB-176 (Registrar of Contractors) and in HB-177 (levy, etc.).

With our failure to secure additional revenue for the remainder of the 1967-68 fiscal year, we of course will have to be most careful of all future expenditures. We are particularly low in State-Travel and in Professional Services. It will be questionable that in the event of a hearing is necessary the Commission will have sufficient funds to support it. I have taken the liberty of notifying both the Legislature and the Governor's office that our functions may have to be curtailed.

George Siler and I attended the official dedication of Arizona Helium Corporation's new plant in Navajo. The opening was attended by some 300 people. In general, those in attendance were stockholders.

The plant at this point was capable of making perhaps 50% pure helium in that at least one heater exchange was lacking. Also, the plant was not equipped to deliver helium into a truck.

The full completion of the plant should be accomplished by the middle of April. It is anticipated that the first truck loads of helium will begin early in that month.

**New Permits:**

- 454: Humble #1 Navajo 151, SE NE 35-35N-30E, Apache County
- 455: Champlin #1 Navajo 171, NW SE 4-37N-25E, Apache County
- 456: Basin Petroleum #1 Davis-Clark, NE NE 5-21S-24E, Cochise County

Geologist's Report

WILDCAT ACTIVITY

Champlin #1 Navajo 335 ( Sec. 4-41N-29E) Apache Co....  
Plugged and Abandoned.

Humble #1-146 Navajo ( SE SW Sec. 15-35N-30E) Located 4 miles  
southeast of Dineh bi Keyah Field. Temporarily abandoned.  
Total depth 3929. Helium in the Devonian. Confidential.

Little #1 Navajo ( SE SE Sec 26-6N-8W) Located 20 miles southwest  
of Dineh bi Keyah Field. Total depth 2315 ft. in pre-Cam-  
brian.

Basin Pet. #1 Davis-Clark ( NE NE Sec. 5-21S-24E) This is a farmout to  
Basin Pet., Dilco (a partnership), and Jack Choate from  
Southwest Oil Co. (a corporation from Casa Grande, Ariz.).

Basin has brought in a work-over rig (Beckman, Inc.,  
from Odessa, Tex.) and has re-entered the old hole which  
was drilled as the Southwest Oil Co #1 Davis-Clark in 1956  
to the Devonian Martin formation at a total depth of 3570 ft.

Basin has washed down the hole, run gamma ray neutron  
log; ran 4 1/2 in. csg.. Presently prep to perforate and  
water frac.

Well located 6 1/2 miles SE Tombstone.

Humble #1-151 Navajos ( SE SE Sec. 35-35N-30E) Located 6 miles south-  
east of Dineh bi Keyah Field. Well originally located in  
SE SE Sec. 26-35N-30E. Spudded 3-10-68. Contractor is Mesa  
Drl. Tight Hole.

Hallett #1 State 10603 ( NW NE Sec 36-19N-26E)  
Top Coconino 1354 ft.; cored and ran drill stem test; no  
show. Total depth 1362 ft. Will drill about 10 ft. deeper  
and test.

Champlin #1 Navajo 171 ( NW SE Sec. 4-37N-25E) Located 6 miles  
southwest of Rock Point. Farm-out from Pan Am.  
Elev. 5205 KB; Contractor Cactus Drl. Co.; Set 13 3/8  
in. Csg. @ 334 ft. w/400sx.; Spudded 3-5-68; top De Chelly  
1604 ft.; Drilling 2970 ft. Well is tight,

#####

( Status of field wells....see map.)

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PTS MONTH OF	CLASSIFICATION	RECEIPTS		APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE			
Feb 1968	100 00	1	Permit to Drill		100 00		900 00		
		2							
		3							
		4							
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		17							
100 00		TOTAL CURRENT MONTH RECEIPTS					XXXXXX		
XXXXXX		TRANSFERS IN							
XXXXXX		BALANCES BROUGHT FORWARD			11,120 25		XXXXXX		
100 00		TOTALS - MONTH AND YEAR TO DATE			11,220 25		900 00		

6		7		8		9		10		11	
CLAIMS PAID MONTH OF	FUND TITLES	EXPENDITURES		TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE				
Feb 1968	2,215 00	1	Personal Services	22,125 00	18,745 00		3,380 00				
	734 06	2	Current Expenditures	5,673 75	3,365 73	86 26	2,221 76				
	312 56	3	Travel-state	5,000 00	2,333 93	1,022 13	1,643 94				
	183 51	4	Travel-out of state	2,500 00	1,497 94		1,002 06				
		5	Capital Outlay								
	21 11	6	Current Fixed Charges	540 00	356 51	20 00	163 49				
		7	Professional Services	2,000 00	1,412 36		587 64				
		8	Museum N. Arizona	1,875 00	1,250 00		625 00				
		9	Ariz. Bu Mines, UofA	1,875 00	1,875 00						
		10									
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		27									
		28									
		29									
		30									
3,466 24		TOTALS		41,588 75	30,836 47	1,128 39	9,263 89				

FORM 12-A POST AUDITOR

TO BE FILED WITH THE POST AUDITOR BY THE 15TH OF EACH MONTH



CLAIMS PAID YEAR TO DATE		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF
17,720.00	110	1 Salaries, wages: employees	1	2,215.00
1,035.00	150	2 Per diem: board members	2	
		3	3	
		4	4	
248.45	211	5 Postage	5	136.32
1,051.26	212	6 Telephone, telegraph	6	312.56
2,333.93	220	7 Travel-state	7	183.51
1,497.94	230	8 Travel-out of state	8	
1,412.36	240	9 Professional services	9	
20.36	262	10 Mntns/repairs to office equip., furnitures	10	
420.01	294	11 Legal Advt., notary, court, recording fees	11	
30.91	295	12 Transportation of things (well samples)	12	
3,130.36	299	13 Miscellaneous (blueprint service, Ariz Bu Mine)	13	
		14 Museum N Arizona )	14	
		15	15	
		16	16	
891.56	310	17 Office supplies	17	539.75
418.00	360	18 Scientific supplies: drafting, correlated logs	18	57.79
1.12	390	19 Duplicate Keys	19	
25.80	390	20 Film	20	
		21	21	
		22	22	
		23	23	
		24	24	
280.00	411	25 Rent, office equip: copy machine	25	
21.11	417	26 U-Haul Trailer rent	26	21.11
		27	27	
		28	28	
55.40	430	29 Subscriptions/organizations dues	29	
		30	30	
		31	31	
		32	32	
		33	33	
		34	34	
250.00	995	34 To create revolv fund	35	
		35	36	
		36	37	
		37	38	
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		41	42	
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		48	49	
		49	50	
		50	51	
		51	52	
		52	53	
		53	54	
		54	55	
30,836.47		TOTAL		3,466.24



# MONTHLY FINANCIAL REPORT

RECEIPTS MONTH OF	CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
Jan 1968	1 Permit to Drill		200 00	200 00
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
200 00	TOTAL CURRENT MONTH RECEIPTS			XXXXXX
XXXXXX	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD		10,920 25	XXXXXX
200 00	TOTALS - MONTH AND YEAR TO DATE		11,120 25	800 00

CLAIMS PAID MONTH OF	FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
Jan 1968	1 Personal Services	22,125 00	16,530 00		5,595 00
2,415 00	2 Current Expenditures	5,673 75	2,631 67	561 12	2,480 96
840 67	3 Travel-state	5,000 00	2,021 37	1,096 60	1,882 03
486 64	4 Travel-out of state	2,500 00	1,314 43	40 00	1,145 57
	5 Capital Outlay				
15 00	6 Current Fixed Charges	540 00	335 40	50 00	154 60
	7 Professional Services	2,000 00	1,412 36		587 64
625 00	8 Museum N. Arizona	1,875 00	1,250 00		625 00
625 00	9 Ariz. Bu Mines, UofA	1,875 00	1,875 00		
	10				
	11				
	12				
	13				
	14				
	15				
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	20				
	21				
	22				
	23				
	24				
	25				
	26				
	27				
	28				
	29				
	30				
4,407 31	TOTALS	41,588 75	27,370 23	1,747 72	12,470 80

FORM 12-A POST AUDITOR

TO BE FILED WITH THE POST AUDITOR BY THE 15TH OF EACH MONTH

AGENCY Oil & Gas Conservation Commission

DIVISION

IDENTIFICATION (DE NO.

1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF <u>Jan 1968</u>
15,505.00	110	1 Salaries, wages: employees	2,215.00
1,025.00	150	2 Per diem: board members	200.00
		3	
		4	
248.45	211	5 Postage	
917.74	212	6 Telephone, telegraph	137.24
2,021.37	220	7 Travel-state	486.64
1,314.43	230	8 Travel-out of state	
1,412.36	240	9 Professional services	
20.26	262	10 Mntns/repairs to office equip., furnitures	
420.01	294	11 Legal Advt. notary, court, recording fees	
30.91	295	12 Transportation of things (well samples)	
3,130.36	299	13 Miscellaneous (blueprint service, Ariz Bu Mine)	1,250.00
		14 Museum N Arizona )	
		15	
		16	
351.81	310	17 Office supplies	70.33
360.21	360	18 Scientific supplies: drafting, correlated logs	33.00
1.12	370	19 Duplicate keys	
25.80	390	20 Film	
		21	
		22	
		23	
		24	
280.00	411	25 Rent, office equip: copy machine	
		26	
		27	
		28	
55.40	430	29 Subscriptions/organizations dues	15.00
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		32	
		33	
250.00	995	34 To create revolv fund	
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27,370.33		TOTAL	4,407.31

OFFICE

(DO NOT WRITE BELOW THIS LINE)

FIELD

# MONTHLY FINANCIAL REPORT

1	2	3	4	5
RECEIPTS MONTH OF <i>Dec 19 67</i>	RECEIPTS CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
	1 Permit to Drill			<i>600.00</i>
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
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	11			
	12			
	13			
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	15			
	16			
	17			
	TOTAL CURRENT MONTH RECEIPTS			XXXXXXXX
	TRANSFERS IN			
XXXXXXXX	BALANCES BROUGHT FORWARD		<i>10,920 25</i>	XXXXXXXX
	TOTALS - MONTH AND YEAR TO DATE		<i>10,920 25</i>	<i>600.00</i>

6	7	8	9	10	11
CLAIMS PAID MONTH OF <i>Dec 19 67</i>	EXPENDITURES FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
<i>2,315.00</i>	1 Personal Services	<i>14,750.00</i>	<i>14,115.00</i>		<i>635.00</i>
<i>420.87</i>	2 Current Expenditures	<i>3,782.50</i>	<i>2,391.00</i>	<i>53.62</i>	<i>1,337.88</i>
<i>73.55</i>	3 Travel-state	<i>5,000.00</i>	<i>1,534.73</i>	<i>395.00</i>	<i>3,070.27</i>
<i>298.55</i>	4 Travel-out of state	<i>2,500.00</i>	<i>1,314.43</i>		<i>1,185.57</i>
	5 Capital Outlay				
	6 Current Fixed Charges	<i>540.00</i>	<i>320.40</i>	<i>15.00</i>	<i>204.60</i>
<i>200.00</i>	7 Professional Services	<i>2,000.00</i>	<i>1,412.36</i>		<i>587.64</i>
	8 Museum N. Arizona	<i>1,250.00</i>	<i>625.00</i>		<i>625.00</i>
	9 Ariz. Bu Mines, UofA	<i>1,250.00</i>	<i>1,250.00</i>		
	10				
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<i>3,307.97</i>	TOTALS	<i>31,072.50</i>	<i>22,962.92</i>	<i>463.62</i>	<i>7,645.96</i>

FORM 12-A POST AUDITOR

TO BE FILED WITH THE POST AUDITOR BY THE 15TH OF EACH MONTH

AGENCY		DIVISION		IDENTIFICATION CODE NO.	
1	2	3	4	5	6
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION			CLAIMS PAID MONTH OF
					Dec 19 67
13,290.00	110	1 Salaries, wages: employees	1	2,215.00	
825.00	150	2 Per diem: board members	2	100.00	
		3	3		
		4	4		
248.45	211	5 Postage	5	128.00	
780.40	212	6 Telephone, telegraph	6	135.22	
1,534.73	220	7 Travel-state	7	73.55	
1,314.43	230	8 Travel-out of state	8	298.55	
1,412.30	240	9 Professional services	9	200.00	
20.26	262	10 Mntns/repairs to office equip., furnitures	10		
420.01	294	11 Legal Advt. notary, court, recording fees	11		
30.91	295	12 Transportation of things (well samples)	12	30.91	
1,880.36	299	13 Miscellaneous (blueprint service, Ariz Bu Mine)	13		
		14 Museum N Arizona )	14		
		15	15		
		16	16		
281.48	310	17 Office supplies	17	65.35	
327.21	360	18 Scientific supplies: drafting, correlated lo	18	54.59	
1.12	370	19 Duplicate keys	19		
25.80	390	20 Film	20	6.80	
		21	21		
		22	22		
		23	23		
		24	24		
280.00	411	25 Rent, office equip: copy machine	25		
		26	26		
		27	27		
		28	28		
40.40	430	29 Subscriptions/organizations dues	29		
		30	30		
		31	31		
		32	32		
		33	33		
250.00	995	34 To create revolv fund	34		
		35	35		
		36	36		
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		55	55		
22,962.92		TOTAL		3,307.97	

OFFICE

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FIELD

OFFICE OF  
**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
ROOM 202  
1624 WEST ADAMS  
Phoenix, Arizona 85007  
PHONE: 271-3161

D-1-68  
March 1, 1968

WELL SAMPLES - CORES

All samples and cores for the Commission shall be handled, until further notice, as follows:

Samples

- (1) All samples shall be properly washed and dried.
- (2) An amount, the equivalent of two tablespoons, of each sample shall be placed in envelopes or other suitable wrapping and clearly identified as to the depth at which it was taken.
- (3) Samples shall be properly packaged for transporting in a manner that will protect the individual samples; each pack of samples shall contain the identification of the well from which the samples originated, the complete location of the well and the Commission's permit number.
- (4) Samples shall be shipped or mailed, charges prepaid, as below directed:

(a) Samples of all wells to:

Arizona Bureau of Mines  
University of Arizona  
Tucson, Arizona 85721

- (b) In addition to (a) above one sample set of each well in Apache, Navajo, Coconino, Mohave, Gila, and Yavapai Counties to:

Museum of Northern Arizona  
P.O. Box 402  
Flagstaff, Arizona 86001

Cores

- (5) Core samples may be furnished in chips and suitable packed as set forth in Para. 2 and 3 above. Core samples shall be shipped or mailed, charges prepaid, as indicated in Para. 4 above.

March 1, 1968  
D-1-68

It may be more convenient for you to deliver the Commission's samples to Four Corners Sample Cut, P.O. Box 899 (641 W. Broadway), Farmington, New Mexico 87401, and contract with it to prepare and deliver the Commission's samples in accordance with these instructions, billing your account for the cost of this service.

When you deliver samples or cores to the Arizona agencies or to Four Corners Sample Cut, the Commission is to be notified of the date of delivery and of the well from which the samples were taken.





OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5161

February 28, 1968

Memo to: Commissioners  
From: John Bannister, Executive Secretary  
re: Results of Navajo Oil and Gas Lease Sale

Attached please find the results of the Navajo oil and gas lease sale at Window Rock, February 27, 1968, at 10:00 a.m.

The sale was lightly attended with only approximately 25 people being present. Again, this did not reflect the total number of individuals bidding.

The attached report reflects only the Arizona portion of the sale. No bids were received on the Utah portion and but light and scattered bidding on the New Mexico portion.

For comparison purposes, the last Indian sale of September 26, 1967 resulted in the sale of 47,900 acres of Arizona land with a total bonus of \$439,000.00. The average bid at this sale was \$9.10 and the high bid by Skelly Oil Company was \$44.46 per acre.

In this sale of February 27, 1968 the Navajos offered 191 tracts containing 123,273.56 acres. Of this land offered, 129 tracts containing 83,709.18 acres were taken. The total number of bids received for this acreage was 264, of which of course only 129 were successful.

The overall price per acre for the successful bids was approximately \$9.75, or approximately 65¢ per acre higher than the last sale.

The low successful bid of this sale was the Big Piney Oil & Gas Co., a bid of \$2.56 per acre for a total of \$1,638.40. The highest and most spectacular bid of the sale was by Pan American Petroleum Corporation for Section 1, Township 35 North, Range 29 East. Pan American's bid was \$250.13 per acre for a total of \$160,083.20. This acreage is a direct offset to production from Dineh bi Keyah Field to both the north and east, and is of course the closest acreage offered to the producing area.

It is interesting to note that whereas Humble did not bid in the former sale, nor did Kerr-McGee, that in the current sale Humble bid successfully on six tracts for a total of 3,840 acres at a cost of \$102,956.80.

Kerr-McGee submitted but one bid, \$17,062.40, and this was on the same acreage that Pan American submitted the high bid of the sale.

The second highest bid on this same tract was Gulf's \$79,180.80, being \$123.72 per acre.

W.T. Blackburn, independent from Denver who frequently bids for Humble, was the successful bidder for a little over 12,000 acres. It is unlikely that at this sale Blackburn was bidding for Humble.

Other interesting bids were Corrine Grace who submitted bids totaling \$79,052.80 on 1,920 acres. Corrine Grace represents the Grace Steamship Lines money and is located in Phoenix.

Another newcomer to the sale was Odessa Natural Gas Company. This company is a wholly owned subsidiary of El Paso Products Company, which of course in turn is owned 100% by El Paso Natural Gas Company. Odessa Natural Gas was the successful bidder on 20 tracts containing 12,657 acres, at a total of \$68,805.90.

A recap of the more successful bidders is listed on the attached sheet. If you have any questions, please do not hesitate to ask.



# R E C A P

Oil and Gas Lease Sale  
Navajo Tribal Lands  
February 27, 1968

Offered	191 tracts - 123,273.56 acres	
Taken	129 tracts - 83,709.18 acres	\$839,159.71

Total bids received	264
Total bids successful	129

Average price per acre	\$9.75
------------------------	--------

Low bid: Big Piney Oil & Gas Co.  
\$2.56 per acre (\$1,638.40)  
High bid: Pan American Petroleum Corp.  
\$250.13 per acre (\$160,083.20)

Name	Some Successful Bidders--		Total Acres
	No. of Tracts	Total of Bids	
Texaco, Inc.	11	\$ 51,487.50	6,888.54
Gulf Oil	24	78,668.12	16,330.00
W.T. Blackburn	18	41,033.68	12,082.64
Humble Oil & Refining	6	102,956.80	3,840.00
Corrine Grace	3	79,052.80	1,920.00
Pan American Petroleum	13	275,427.65	8,250.00
Odessa Natural Gas Co.	20	68,805.90	12,657.00

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>
	<u>T. 28 N., R. 17 W., N.M.P.M. (P.D. approved 6-14-54)</u>	
152	Section 24 - All	Approx. 640
153	Section 25 - All	Approx. 640
	<u>T. 30 N., R. 20 W., N.M.P.M. (Outer Boundary 5-11-53)</u>	
154	Section 19 - All (frac.)	Approx. 632
	<u>T. 30 N., R. 21 W., N.M.P.M. (Outer Boundary 5-11-53)</u>	
155	Section 23 - All	Approx. 640
156	Section 24 - All	Approx. 640
	<u>T. 32 N., R. 17 W., N.M.P.M. (P.D. approved 6-30-59)</u>	
157	Section 31 - W $\frac{1}{2}$	314
	<u>T. 32 N., R. 18 W., N.M.P.M. (P.D. approved 6-30-59)</u>	
158	Section 25 - S $\frac{1}{2}$	320
159	Section 36 - All	640
	<u>Navajo Tribal Lands - Apache County, Arizona</u>	
	<u>T. 4 N., R. 6 W., N.S.M. (Surveyed)</u>	
160	Section 3 - All (irreg.)	641.98
161	Section 4 - All (irreg.)	641.18
162	Section 9 - All	640
163	Section 10 - All	640
164	Section 15 - All	640
165	Section 16 - All	640
166	Section 19 - All (frac.) — <i>Texaco</i> \$2,272.00 (3.63)	625.76
167	Section 20 - All	640
168	Section 29 - All — <i>Texaco</i> \$2,323.50 (3.63)	640
169	Section 30 - All (frac.) — <i>Texaco</i> \$2,365.50 (3.78)	625.78
	<u>T. 4 N., R. 7 W., N.S.M. (P.D. No. 46 approved 7-11-60)</u>	
170	Section 2 - All — <i>Gulf</i> \$1,670.40 (2.61)	640
171	Section 3 - All — <i>Gulf</i> \$1,670.40 (2.61)	640
172	Section 8 - All	640
173	Section 9 - All	640
174	Section 10 - All — <i>Gulf</i> \$1,670.40 (2.61)	640
175	Section 11 - All — <i>Texaco</i> \$2,419.50 (3.78)	640
176	Section 14 - All — <i>Texaco</i> \$2,419.50 (3.78)	640
177	Section 15 - All — <i>Gulf</i> \$1,670.40 (2.61)	640
178	Section 16 - All	640
179	Section 17 - All	640
180	Section 20 - All	640
181	Section 21 - All	640
182	Section 22 - All — <i>Gulf</i> \$1,670.40 (2.61)	640
183	Section 23 - All — <i>Texaco</i> \$2,323.50 (3.63)	640
184	Section 24 - All — <i>Texaco</i> \$8,237.00 (12.87)	640
185	Section 25 - All — <i>Texaco</i> \$2,419.50 (3.78)	640

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>
	<u>T. 4 N., R. 7 W., N.S.M. (Cont'd)</u>	
186	Section 26 - All—Gulf \$ 1,670.40 (2.61)	640
187	Section 27 - All—Gulf \$ 1,670.40 (2.61)	640
	<u>T. 5 N., R. 7 W., N.S.M. (P.D. No. 46 approved 2-11-60)</u>	
188	Section 1 - All	640
189	Section 5 - All—Gulf \$ 3,948.80 (6.17)	640
190	Section 6 - All (frac.)—Gulf \$ 3,806.89 (6.17)	617
191	Section 7 - All (frac.)—Gulf \$ 3,806.89 (6.17)	617
192	Section 8 - All—Gulf \$ 3,948.80 (6.17)	640
	<u>T. 5 N., R. 10 W., N.S.M. (Surveyed)</u>	
193	Section 1 - All (irreg.)	642.22
194	Section 2 - All (irreg.)—W. T. Blackburn \$ 1,783.20 (2.78)	641.03
	<u>T. 6 N., R. 7 W., N.S.M. (Surveyed)</u>	
195	Section 13 - All	640
196	Section 14 - All	640
197	Section 23 - All	640
198	Section 24 - All	640
	<u>T. 6 N., R. 9 W., N.S.M. (Surveyed)</u>	
199	Section 1 - All (irreg.)	641.60
200	Section 2 - All (irreg.)	642.40
201	Section 11 - All	640
202	Section 12 - All	640
	<u>T. 6 N., R. 10 W., N.S.M. (Surveyed)</u>	
203	Section 25 - All	640
204	Section 26 - All—Blackburn \$ 1,780.28 (2.78) Approx.	640
205	Section 35 - All—Blackburn \$ 1,780.28 (2.78) Approx.	640
206	Section 36 - All Approx.	640
	<u>T. 7 N., R. 5 W., N.S.M. (P.D. No. 46 approved 2-11-60)</u>	
207	Section 6 - All—Texaco \$ 9,901.00 (15.47)	640
208	Section 7 - All—Gulf \$ 1,651.20 (2.58)	640
209	Section 17 - All (frac.)—Gulf \$ 2,363.28 (2.58)	916
	Section 18 - All	
210	Section 19 - All	
	Section 20 - All (frac.)—Gulf \$ 2,363.28 (2.58) Approx.	916
	<u>T. 7 N., R. 9 W., N.S.M. (Surveyed)</u>	
211	Section 5 - All (frac.)—Blackburn \$ 1,780.28 (2.78)	639.81
212	Section 6 - All (frac.)—Blackburn \$ 1,753.60 (2.78)	630.40
213	Section 7 - All (frac.)—Blackburn \$ 1,753.60 (2.78)	630.40
214	Section 8 - All	640

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>
<u>T. 7. N., R. 9 W., N.S.M. (Surveyed) (Cont'd)</u>		
215	Section 9 - All	640
216	Section 10 - All	640
217	Section 15 - All	640
218	Section 16 - All	640
219	Section 21 - All	640
220	Section 22 - All	640
221	Section 27 - All	640
222	Section 28 - All	640
223	Section 34 - All	640
224	Section 35 - All	640
<u>T. 34 N., R. 27 E., G.S.R.M. (P.D. No. 37 approved 2-11-60)</u>		
225	Section 5 - All Section 8 - All (frac.) <i>Blackburn \$2,606.00 (2.78)</i> Approx.	937
226	Section 6 - All Section 7 - All (frac.) <i>Blackburn \$2,594.40 (2.78)</i> Approx.	933
<u>T. 34 N., R. 30 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u>		
227	Section 1 - All - Humble \$19,904.00 (31.10)	640
228	Section 2 - All - Humble \$18,316.80 (28.62)	640
229	Section 12 - All (frac.) - <i>Telco \$15,196.00 (28.78)</i>	528
<u>T. 35 N., R. 27 E., G.S.R.M. (P.D. No. 37 approved 2-11-60)</u>		
230	Section 31 - All (frac.) - <i>Blackburn \$1,755.20 (2.78)</i>	631
231	Section 32 - All - <i>Blackburn \$3,636.36 (5.68)</i>	640
<u>T. 35 N., R. 29 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u>		
232	Section 1 - All - <i>Pan-American \$160,083.20 (250.13)</i>	640
233	Section 2 - All <i>Coryne Grace (Phx) \$7,577.60 (11.84)</i>	640
234	Section 3 - All - Union \$4,440.00 (7.25)	640
235	Section 11 - All - Union \$3,360.00 (5.25)	640
236	Section 12 - All - Grace \$35,737.60 (55.84)	640
237	Section 13 - All - Union \$2,188.80 (3.42)	640
238	Section 14 - All - Union \$2,188.80 (3.42)	640
239	Section 23 - All - E.R. Richardson \$3,635.20 (5.68)	640
240	Section 24 - All - E.R. Richardson \$3,635.20 (5.68)	640
<u>T. 35 N., R. 30 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u>		
241	Section 7 - All (frac.) - <i>Gulf \$6,989.64 (11.13)</i>	628
242	Section 17 - All - Grace \$35,737.60 (55.84)	640
243	Section 18 - All (frac.) - Union \$2,151.18 (3.42)	629
244	Section 19 - All (frac.) - <i>Dalco Dil Co (Dallas) \$7,000.00 (11.11)</i>	630
245	Section 20 - All - Humble \$8,198.40 (12.81)	640
246	Section 27 - All - Humble \$19,904.00 (31.10)	640
247	Section 28 - All - Humble \$18,316.80 (28.62)	640
248	Section 29 - All - Union \$2,188.80 (3.42)	640
249	Section 30 - All - Richardson \$3,635.20 (5.68)	640
250	Section 31 - All - Richardson \$3,635.20 (5.68)	640
251	Section 34 - All - Humble \$18,316.80 (28.62)	640

Tract No.

Description

Acres

T. 36 N., R. 29 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)

252	Section 1 - All (frac.) - Pan Am \$15,392.56 (25.12)	Approx.	613
253	Section 2 - All (frac.) - Pan Am \$30,754.21 (50.17)	Approx.	613
254	Section 5 - All (frac.) - Odessa Nat. Gas \$3,248.90 (5.30)	Approx.	613
255	Section 15 - All - Pan Am \$22,502.40 (35.16)	Approx.	640
256	Section 16 - All - Gulf \$4,038.40 (6.31)	Approx.	640
257	Section 21 - All - Gulf \$4,038.40 (6.31)	Approx.	640
258	Section 27 - All - Geo. H. Hunker Jr. \$7,800.00 (12.19)	Approx.	640
259	Section 28 - All - Union \$2,188.80 (3.42)	Approx.	640
260	Section 33 - All - Union \$3,360.00 (5.25)	Approx.	640
261	Section 34 - All - Delec Oil Co \$21,400.00 (33.44)	Approx.	640

T. 36 N., R. 30 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)

262	Section 6 - All (frac.)	Approx.	597
263	Section 7 - All (frac.) - Pan Am \$15,674.88 (25.12)	Approx.	624
264	Section 8 - All	Approx.	640
265	Section 22 - All	Approx.	640
266	Section 23 - All - Champlin Oil Co \$2,086.40 (3.26)	Approx.	640
267	Section 24 - All	Approx.	640

T. 37 N., R. 28 E., G.S.R.M. (P.D. No. 37 approved 2-11-60)

268	Section 27 - All - Blackburn \$1,780.28 (2.78)	Approx.	640
269	Section 28 - All - Blackburn \$3,636.36 (5.68)	Approx.	640
270	Section 29 - All - Blackburn \$3,636.36 (5.68)	Approx.	640
271	Section 32 - All - Blackburn \$3,636.36 (5.68)	Approx.	640
272	Section 33 - All - Odessa \$4,190.80 (6.47)	Approx.	640
273	Section 34 - All - Blackburn \$1,780.28 (2.78)	Approx.	640

T. 37 N., R. 29 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)

274	Section 1 - All - Gulf \$4,244.40 (6.71)	Approx.	640
275	Section 2 - All - Gulf \$4,244.40 (6.71)	Approx.	640
276	Section 11 - All - Gulf \$4,244.40 (6.71)	Approx.	640
277	Section 12 - All - Gulf \$4,244.40 (6.71)	Approx.	640
278	Section 24 - All	Approx.	640
279	Section 25 - All	Approx.	640
280	Section 32 - All (frac.) - Odessa \$3,248.90 (5.30)	Approx.	613
281	Section 35 - All - Pan Am \$4,844.80 (7.57)	Approx.	640
282	Section 36 - All	Approx.	640

T. 37 N., R. 30 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)

283	Section 19 - All (frac.) - Champlin \$2,016.08 (3.16)	Approx.	638
284	Section 30 - All (frac.)	Approx.	639

T. 38 N., R. 28 E., G.S.R.M. (P.D. No. 37 approved 2-11-60)

285	Section 1 - All	Approx.	640
286	Section 12 - All	Approx.	640

Tract No.

Description

Acres

T. 38 N., R. 29 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)

287	Section 1 - All	Odessa \$1,693.53 (2.79)	Approx.	640
288	Section 2 - All		Approx.	640
289	Section 8 - All (frac.)	Big Piney \$1,563.92 (2.64)	Approx.	607
290	Section 10 - All	Odessa \$1,785.60 (2.74)	Approx.	640

T. 38 N., R. 30 E., G.S.R.M. (P.D. No. 37 Approved 2-11-60)

291	Section 1 - All	Odessa \$4,000.00 (6.25)	Approx.	640
292	Section 2 - All	Odessa \$3,360.00 (5.25)	Approx.	640
293	Section 11 - All	Pan Am \$3,276.80 (5.12)	Approx.	640
294	Section 12 - All	Pan Am \$6,508.80 (10.17)	Approx.	640
295	Section 13 - All	Pan Am \$3,276.80 (5.12)	Approx.	640
296	Section 14 - All	Pan Am \$3,276.80 (5.12)	Approx.	640
297	Section 15 - All	Big Piney \$1,638.40 (2.56)	Approx.	640
298	Section 23 - All		Approx.	640
299	Section 24 - All		Approx.	640

T. 38 N., R. 31 E., G.S.R.M. (Surveyed)

300	Section 6 - All	Pan Am \$3,276.80 (5.12)		640
301	Section 7 - All	Pan Am \$3,276.80 (5.12)		640
302	Section 18 - All	Pan Am \$3,276.80 (5.12)		640

T. 39 N., R. 28 E., G.S.R.M. (P.D. No. 37 approved 2-11-60)

303	Section 24 - All	Depco \$4,166.40 (6.51)	Approx.	640
304	Section 26 - All	Rob. A. Dean \$3,712.00 (5.80)	Approx.	640
305	Section 36 - All		Approx.	640

T. 39 N., R. 29 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)

306	Section 16 - All	Blackburn \$1,780.28 (2.78)	Approx.	640
307	Section 17 - All (frac.)	Odessa \$1,932.80 (3.20)	Approx.	604
308	Section 28 - All	Big Piney \$1,638.40 (2.56)	Approx.	640
309	Section 29 - All (frac.)		Approx.	605
310	Section 32 - All (frac.)	Odessa \$1,690.74 (2.79)	Approx.	606
311	Section 36 - All	Odessa \$4,716.80 (7.37)	Approx.	640

T. 39 N., R. 30 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)

312	Section 1 - All	Odessa \$15,481.60 (24.19)	Approx.	640
313	Section 8 - All	Blackburn \$1,780.28 (2.78)	Approx.	640
314	Section 10 - All		Approx.	640
315	Section 11 - All	Big Piney \$1,638.40 (2.56)	Approx.	640
316	Section 13 - All		Approx.	640
317	Section 14 - All	Odessa \$1,670.40 (2.61)	Approx.	640
318	Section 16 - All	Blackburn \$1,780.28 (2.78)	Approx.	640
319	Section 18 - All (frac.)	Texaco \$1,610.50 (2.56)	Approx.	629
320	Section 20 - All	Odessa \$4,652.80 (7.27)	Approx.	640
321	Section 21 - All		Approx.	640
322	Section 22 - All	Odessa \$2,060.80 (3.22)	Approx.	640
323	Section 23 - All	Odessa \$1,670.40 (2.61)	Approx.	640
324	Section 27 - All	Depco, Midwest, Occidental	Approx.	640
325	Section 28 - All	\$4,051.20 (6.33)	Approx.	640

Tract No.	Description	Acres
<u>T. 39 N., R. 30 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u> (Cont'd)		
326	Section 29 - All — Odessa \$3,257.60 (5.69)	Approx. 640
327	Section 35 - All — Depco, et al \$6,508.80 (10.17)	Approx. 640
328	Section 36 - All — Depco, et al \$4,857.60 (7.59)	Approx. 640
<u>T. 39 N., R. 31 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u>		
329	Section 5 - All (frac.) — Gulf \$4,969.78 (6.22) Section 6 - All	Approx. 799
330	Section 7 - All — Gulf \$4,532.54 (5.68) Section 8 - All (frac.)	Approx. 798
331	Section 18 - All	Approx. 640
332	Section 19 - All	Approx. 640
<u>T. 40 N., R. 29 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u>		
333	Section 14 - All	Approx. 640
334	Section 16 - All — Odessa \$2,201.60 (3.44)	Approx. 640
335	Section 21 - All — Monsanto \$2,240.00 (3.50)	Approx. 640
336	Section 22 - All — Monsanto \$2,240.00 (3.50)	Approx. 640
337	Section 24 - All — Odessa \$2,873.60 (4.49)	Approx. 640
338	Section 27 - All — Monsanto \$6,720.00 (10.50)	Approx. 640
339	Section 29 - All — Monsanto \$2,240.00 (3.50)	Approx. 640
340	Section 32 - All — Monsanto \$2,240.00 (3.50)	Approx. 640
341	Section 33 - All — Monsanto \$3,520.00 (5.50)	Approx. 640
<u>T. 40 N., R. 30 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u>		
342	Section 13 - All	Approx. 640
343	Section 14 - All — Richardson \$2,483.20 (3.88)	Approx. 640
344	Section 16 - All — Richardson \$2,163.20 (3.38)	Approx. 640
345	Section 18 - All (frac.)	Approx. 625
346	Section 26 - All — Odessa \$1,676.80 (2.62)	Approx. 640
347	Section 30 - All (frac.) — Odessa \$3,442.23 (5.49)	Approx. 627
348	Section 32 - All — Monsanto \$2,560.00 (4.00)	Approx. 640
349	Section 34 - All	Approx. 640
<u>T. 40 N., R. 31 E., G.S.R.M. (P.D. No. 38 approved 2-11-60)</u>		
350	Section 31 - All — Gulf \$3,339.82 (4.18) Section 32 - All (frac.)	Approx. 799
<u>San Juan County, Utah</u>		
<u>T. 40 S., R. 25 E., S.L.M. Surveyed</u>		
351	Section 1 - All (frac.)	639.60
352	Section 3 - All (frac.)	640.20
<u>T. 40 S., R. 26 E., S.L.M. (Surveyed)</u>		
353	Section 6 - All (irreg.)	Approx. 640.36

## Looking Ahead

**Competition increases for nuclear projects . . .** Even before feasibility of nuclear well fracturing is proven, new firms are emerging to develop and promote peaceful uses of nuclear explosives. Nobel-Paso Geonuclear is a new international firm to be formed for operations outside U.S. by El Paso Natural Gas Co., Nobel Bezel of France, and Poudrieres Reunies of Belgium. Latter two firms are European explosives manufacturers. Other new entries, all slated for Wyoming:

Thunderbird, nuclear project on 100-square-mile block of Wyoming lands in Powder River basin, to tap estimated 20 billion tons of coal with Btu content equivalent to 60 billion barrels of liquid hydrocarbons or synthetic fuels. Proposal, put together by Wold and Jenkins, Wyoming coal exploration firm, is being discussed with federal agencies. Objective: cooperative research effort with private industry.

El Paso Natural Gas has requested consid ration of nuclear test in Green River basin tight gas sands, at 11,000-14,000 feet.

WASP (Wyoming Atomic Stimulation Project), has been proposed for same Green River basin area. Plan was developed by group of small firms, headed by Wolf Exploration Co., Denver. Participating companies include Oil and Gas Futures, Inc., Belaire, Texas; Planet Oil and Mineral Corp., Dallas; W. G. Peavy, Dallas; CRA, Inc., Kansas City; Burnham & Co., New York.

Meanwhile, work continues on Gasbuggy. After cleaning out emplacement hole, finding top of 333-foot high nuclear-blasted chimney at 3,907 feet and dismantling clean-out rig, AEC recovered four samples of chimney gas via wireline. Lawrence Radiation Laboratory, under contract to AEC, will analyze samples, determine type and amount of radioactive contamination. Depending on analysis results, production testing of chimney gas by El Paso Natural Gas will take place in 6-9 months.

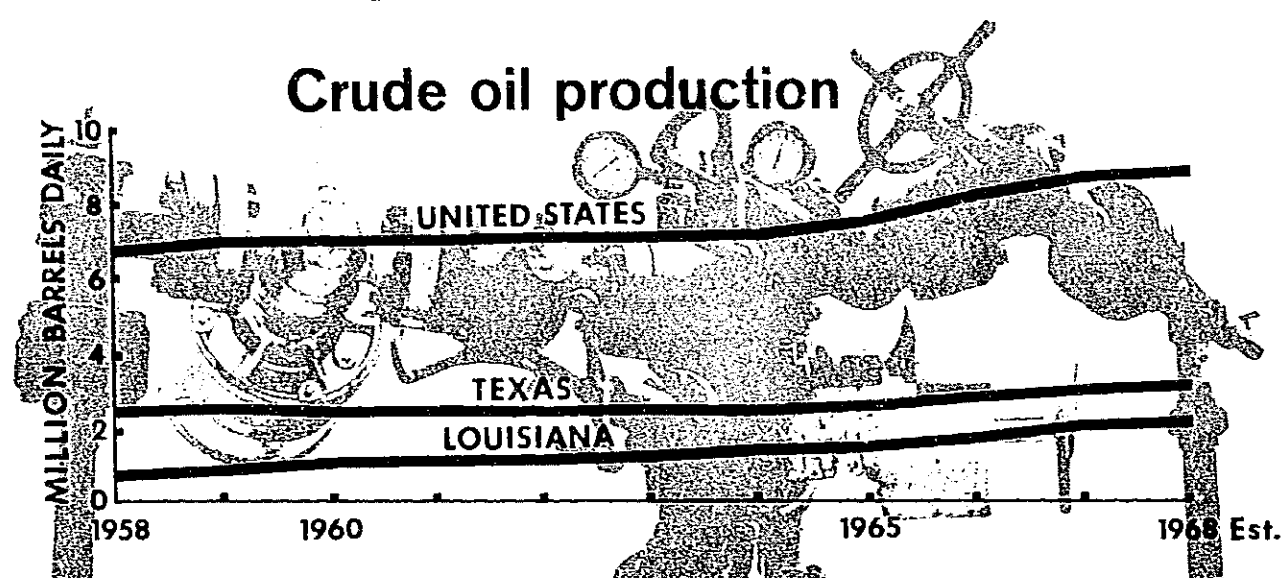
**What technology means to the petroleum industry . . .** National Petroleum Council's 341-page "Impact of New Technology on the U.S. Petroleum Industry, 1946-1965"—now off the presses—is loaded with interesting statistics. For instance:

- Technological breakthroughs and cost reduction efforts in exploration, drilling and production resulted in annual cost savings of 85¢-\$1.00 per barrel of oil produced in 1965, compared with 1946.
- Improved drilling methods, alone, reduced costs about 35¢ per barrel; production methods, 32¢; corrosion control, 9¢; wider well spacing, 17.5¢-35¢ per barrel.
- New breakthroughs are expected in future years. And they will be needed. NPC estimates that if industry is to meet U.S. oil demands through 1970's, about 6 billion barrels of oil-in-place must be discovered annually. This would be 25% more than discovery rate of past 7 years.

**Will oil investments shift to Western Hemisphere? . . .** Three developments give rise to increasing speculation that U.S.-based international oil firms will shift investments, to some degree, from Eastern to Western Hemisphere in 1968: (1) perennial political instability in some Eastern nations; (2) declining investment returns since 1963 (First City National Bank of New York reports investment return of seven international oil firms with major operations in Eastern Hemisphere has been below average for domestic companies since 1964); (3) Administration's move to reduce overseas investment.

These factors, combined with excellent drilling prospects in Canada, South America, Mexico, and U.S. offshore, may well add up to drilling revival in Western Hemisphere.





## Further rise in U.S. crude output foreseen

FOLLOWING SHARP INCREASES in 1966 and 1967, U.S. crude oil production probably will rise further in 1968, although more gently. In each of the years 1966 and 1967 the crude output jumped about 500,000 barrels daily or over 6 percent, making an increase of about 1 million bpd or almost 13 percent within two years. The production averaged 8,809,438 bpd in 1967, latest reports show.

In 1968 the crude output may increase only about 1.2 percent or 106,000 bpd to approximately 8,915,000 bpd. Demand for petroleum is expected to increase about 3.2 percent. But much of the extra demand will be met by increases in imports and production of natural gas liquids.

The 1967 crude output of 8,809,438 bpd was an increase of 514,197 bpd or 6.2 percent over that of 1966. The increase occurred primarily through a combined gain of 504,138 bpd in the four largest producing states, Texas, Louisiana, California and Oklahoma.

Some other states also recorded increases, including notably a gain of 39,411 bpd in Alaska and smaller rises in Arizona, Colorado, Mississippi, New Mexico and New York.

On the other hand, there were decreases in Alabama, Arkansas, Florida, Illinois, Indiana, Kansas, Kentucky, Michigan, Montana, Nebraska, Nevada, North Dakota, Ohio, South Dakota and West Virginia.

Louisiana showed the largest increase. Its production of 2,128,471

bpd in 1967 was up 281,024 bpd or 15.2 percent from 1966. Texas output of 3,067,580 bpd showed a gain of 169,756 bpd or 5.9 percent.

**U. S. Crude Oil Production, by States and Districts, 1967 and 1966**  
(Source: U.S. Bureau of Mines, except last 3 months of 1967 API, and Texas districts from API)

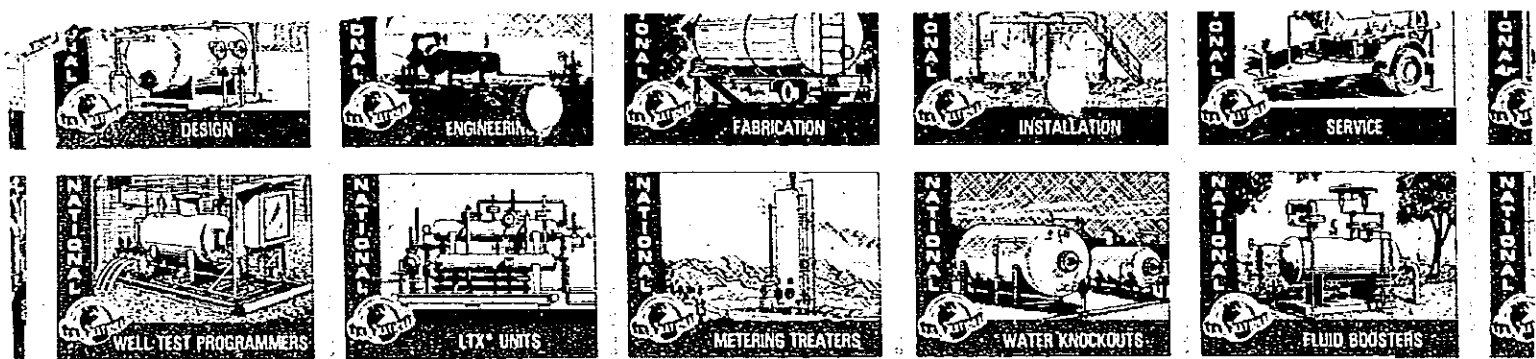
STATE or DISTRICT	Barrels Daily			Thousand Barrels	
	1967	1966	% Diff.	1967	1966
Alabama.....	19,986	22,000	- 9.2	7,295	8,030
Alaska.....	78,748	39,337	+ 100.2	28,743	14,358
Arizona.....	8,674	362	+ 2,298.5	3,166	132
Arkansas.....	57,890	65,271	- 11.3	21,130	23,824
California.....	983,564	946,014	+ 4.0	359,001	345,295
Colorado.....	92,940	91,759	+ 1.3	33,923	33,492
Florida.....	4,543	4,929	- 7.8	1,658	1,799
Illinois.....	163,436	168,934	- 3.3	59,654	61,661
Indiana.....	28,893	29,058	- 0.7	10,546	10,617
Kansas.....	274,140	284,214	- 3.5	100,061	103,738
Kentucky.....	42,690	49,496	- 13.7	15,582	18,066
Louisiana.....	2,128,471	1,847,447	+ 15.2	776,892	674,318
North Louisiana.....	156,405	148,510	+ 5.3	57,088	54,217
South Louisiana.....	1,972,066	1,698,937	+ 16.1	719,804	620,101
Michigan.....	37,600	39,104	- 3.8	13,724	14,273
Mississippi.....	155,992	151,307	+ 3.1	56,937	55,227
Missouri.....	277	266	+ 4.1	101	97
Montana.....	91,778	96,531	- 5.3	33,499	35,380
Nebraska.....	36,515	37,945	- 3.8	13,328	13,850
Nevada.....	696	841	- 17.3	254	307
New Mexico.....	345,600	340,148	+ 1.6	126,144	124,154
Southeast New Mexico.....	315,096	309,036	+ 2.0	115,010	112,798
Northwest New Mexico.....	30,504	31,112	- 2.0	11,134	11,356
New York.....	5,307	4,753	+ 11.6	1,937	1,735
North Dakota.....	69,310	74,318	- 6.7	25,298	27,126
Ohio.....	26,277	29,860	- 12.0	9,591	10,899
Oklahoma.....	631,805	615,997	+ 2.6	230,609	224,839
Pennsylvania.....	12,159	11,882	+ 2.3	4,438	4,337
South Dakota.....	567	655	- 13.4	207	239
Tennessee.....	16	19	- 14.3	6	7
*Texas.....	3,067,580	2,897,824	+ 5.9	1,119,667	1,057,706
Districts—					
1: South Central.....	55,652	53,534	+ 4.0	20,313	19,540
2: Middle Gulf.....	173,016	156,332	+ 10.7	63,151	57,061
3: Upper Gulf.....	410,931	380,241	+ 7.1	152,180	142,073
4: Lower Gulf.....	291,567	278,690	+ 4.6	106,422	101,725
5: East Central.....	38,817	43,556	- 10.9	14,179	15,909
6: Northeast.....	295,646	255,921	+ 3.4	107,911	104,361
7-B: North Central.....	113,397	112,921	+ 0.2	41,390	41,216
7-C: West Central.....	156,597	144,693	+ 8.2	57,158	52,813
8: West.....	1,280,526	1,215,090	+ 5.4	467,392	443,508
9: North.....	191,370	194,364	- 1.5	69,850	70,943
10: Panhandle.....	96,564	93,592	+ 2.1	35,246	35,986
Utah.....	66,019	66,060	- 0.1	24,097	24,112
Virginia.....	9,732	10,066	- 3.3	3,552	3,674
West Virginia.....	368,233	368,411	- 0.0	134,405	134,470
Wyoming.....					
Total, United States.....	8,809,438	8,295,241	+ 6.2	3,215,445	3,027,763

\* Texas totals on U.S. Bureau of Mines basis; Texas districts based on API reports.  
† Revised.

# Regional Drilling Depth Records in the United States

State or District	Total Depth	Year	WELL AND LOCATION	Formation
West Texas.....	25,340	1958	Phillips Pet. Co's University EE-1, wildcat, Pecos County.....	Ellenburger
S. Tex. Dist. 1....	24,220	1965	Phillips' 1 Nueces A, McMullen County.....	Jurassic
Oklahoma.....	24,014	1958	Shell's Rumberger 5, Elk City field, Beckham County.....	Springer-Pennsylvanian
S. Tex. Dist. 2....	23,885	1965	Amerada's R. F. Talley 1, Victoria County.....	L. Tertiary
S. La. Onshore....	23,148	1966	J.P. Owen et al Fontenot 1, Vermilion Parish.....	Eocene
Tex. Gulf Coast...	22,971	1965	Falcon Seaboard's 2 Baer Ranch "A" Matagorda County.....	L. Tertiary
California.....	21,482	1955	Ohio Oil's KCL "A" 72-4, Paloma field, Kern County.....	L. Miocene
S. La. Offshore...	21,452*	1967	Gulf Oil's S. L. 3529; No. 7, W. Delta Block 27.....	Miocene
New Mex., S.E....	21,321	1964	Pure Oil Co. Red Hills Unit 1, Lea County.....	Ellenburger
Mississippi.....	21,052	1966	Phillips' Zellerbach B-1, Merit field, Simpson County.....	Snackover (Jurassic)
Southwest Texas..	20,603	1960	Hunt Oil Company's J.O. Walker 1, Webb County.....	Edwards
Wyoming.....	20,521	1949	Superior of Calif.'s Unit 1, Pacific Creek area, Sublette County.....	U. Cretaceous
Tex. Panhandle...	20,042	1967	Union Oil Co. of California's Bradstreet Unit 1-89, Hemphill County.....	Devo-Silurian
Colorado.....	19,710*	1967	Mobil's Piceance Creek 52, Rio Blanco County.....	Weber
Alabama.....	19,206	1961	Jett's Deep Oil Unit 1, (B-31-7) 31-2N-2W, Mobile County.....	Jurassic
Pennsylvania....	18,834	1966	Consol. Gas Supply Corp. et al Pa. Dept. of Forest and Waters Tract 129 No. 1 well, Potter County.....	Cambrian
East Texas.....	18,207	1966	Humble's Northwest Hawkins Gas Unit 1, Wood County.....	Ordovician
North Texas.....	18,008	1960	Grande Corp's Harsh-Barger 1, Grayson County.....	
N. Louisiana.....	17,138	1964	Shell-Ashland L. A. Moreau 1, Avoyelles Parish, Sec. 82-2n-4e.....	Tuscaloosa
West Virginia....	17,111	1962	Phillips Petroleum's Finch "A", Winfield District, Marion County.....	Beekmantown Dolomite
Utah.....	16,670	1967	Mobil's Gregory F-44-21, Summit County.....	Cretaceous
Arkansas.....	16,611	1967	Humble's Georgia-Pacific 1, Ashley County.....	Pennsylvanian
Alaska.....	16,428	1962	Standard of Calif-Richfield-Shell's Beluga River Unit #212-35, 35-13n-10w...	
Florida.....	15,474	1959	Gulf Oil's State of Florida 1, Marquesas Keys area, Monroe County.....	Mesozoic
North Dakota....	15,135	1959	Amerada's Antelope Unit 1-A, 1-152n-95w, McKenzie Co.....	Cambrian
N. Mex. NW.....	14,423	1961	El Paso's 29-5 Unit 50, Rio Arriba County.....	Granite
Virginia.....	14,176	1965	Shell Oil's R.J. Wetzel 1, Rockingham County.....	Cambrian
Montana.....	13,830	1956	Phillips' Northern Pacific RR 1-A, 33-9s-21e, Carbon County.....	Madison
New York.....	13,500	1958	New York State Nat. Gas' R. Olin 1, Woodhull Twp., Steuben County.....	Postdam
Wash., Offshore...	13,179	1966	Shell Oil's LA-ET, 10 mi. off Pacific Cty. coast.....	
Kentucky.....	13,170	1959	United Fuel Gas Co.'s James 1, Martin County.....	Granite
Illinois.....	13,051	1965	Texaco's E Cuppy 1, Hamilton County.....	Granite
Michigan.....	12,996	1964	Brazos, Sun, Superior State-Foster 1, Ogemaw County.....	Cambrian
Washington.....	12,920	1963	Phillips Petroleum's State 1, Pierce County.....	Puget Group (Eocene)
Oregon.....	12,880	1956	Sinclair's Federal-Mapleton 1, 12-16s-10w, Lane County.....	Eocene
Idaho.....	12,844	1951	Phillips & Utah Southern's Unit 1, 10-14s-30e, Oneida County.....	
Nevada.....	11,543	1952	Continental & Standard's Summit Springs Unit 1, 32-20n-60e, White Pine Co..	Mississippian
Ohio.....	11,442	1967	Amerada's Robert Ullman 1, Elk Tp., Noble County.....	Cambrian
Tennessee.....	10,748	1967	Gulf Oil's Spinks 1, 24-2s-13e, Henry County.....	
North Carolina...	10,054	1946	Standard of New Jersey's Cape Hatteras 1, Dare County.....	Granite
South Dakota....	9,433	1954	W.H. Hunt-Z. Brooks Federal 1, Perkins County.....	Ordovician
Nebraska.....	8,875	1957	Shell's Schneider 2, 26-15n-56w, Heidemann Field, Kimball County.....	Pre-Cambrian
Maryland.....	8,700	1966	Cumberland and Allegheny Smith-Kerr Unit, well 604, Garrett Co.....	Helderberg
Kansas.....	8,243	1947	Pan American's (Stanolind's) Feathers 1, 15-35s-33w, Seward County.....	Arbuckle
Georgia.....	7,613	1958	J.R. Sealy's Lena Rebecca Sealy 3, Seminole County.....	L. Cretaceous
Arizona.....	7,568	1954	Arizona Oil & Gas Co.'s State 1, Cochise County.....	Tertiary
Indiana.....	6,806	1959	Indiana Farm Bureau's Luther Brown 1, 20-5n-2e, Lawrence County.....	Cambrian
Iowa.....	5,305	1930	Oil Development Co.'s Wilson 1, Page County.....	Pre-Cambrian
New Jersey.....	5,022	1928	W&K Oil Co.'s Well 1, Jackson Mills area, Ocean County.....	Granite
Missouri.....	4,902	1966	Mammoth Prod. Co. 1 Big Oak Farms, Mississippi County.....	Roubidoux

\* As of Dec. 31, 1967; not completed.

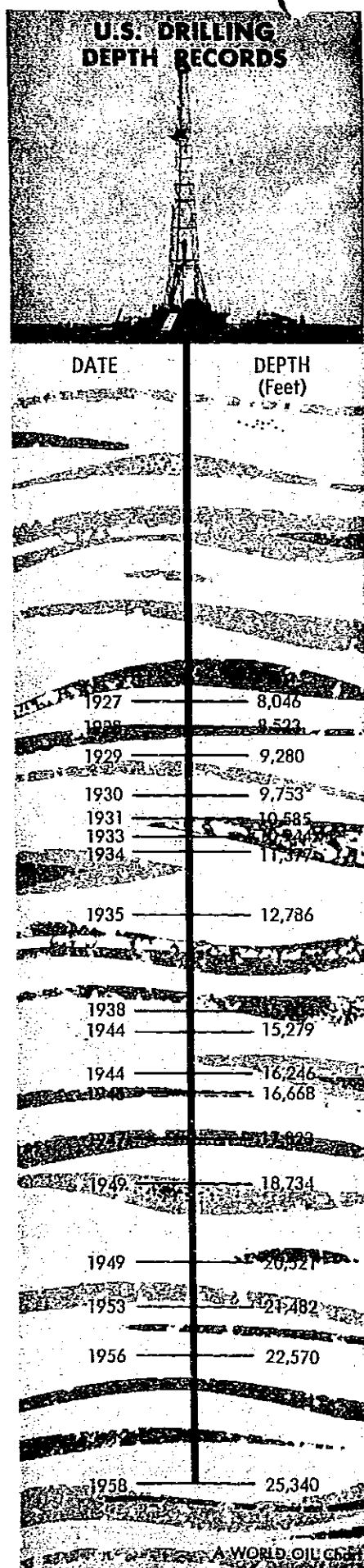


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 STABILIZER UNITS	 TELEMETRY SYSTEMS	 WATER FILTRATION	 HRU ADSORPTION UNITS	 SATELLITE MANIFOLDS
 OIL & GAS SEPARATORS	 A-9 METERS	 FLOW SPLITTERS	 THERMO-PAKS	 LIQUID HEATERS
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 METERING VESSELS	 STEAM GENERATORS	 PKG'D. SEPARATORS	 FIXED BED DEHYDRATION	 FORMATION HEATERS
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## Seven area depth records were broken during 1967

THIRTY-FIVE WELLS were drilled below 20,000 ft. in 1967, about the same number as in 1965 and 1966.

The deepest well drilled in the United States last year was Humble Oil and Refining Co.'s Henry Willbanks 11 in West Texas' Gomez field, Pecos County, with a TD of 23,564 ft. It was completed as a 14 MMcfcd gas producer at 21,883-22,610 ft. However, the West Texas record holder still is Phillips University EE-1, wildcat, dry at 25,340 ft. in 1958.

Regional depth records set in 1967:

**South Louisiana offshore:** Gulf Oil's S.L. 3529, No. 7, having set a new depth record at 21,452 ft. in West Delta Block 27 by December 31, was still drilling at 22,642 ft. on January 19. The previous record holder was Ocean Drilling and Exploration Co.'s S.L. 3763, No. 5, drilled to 19,400 ft. in Vermilion Block 16 field during 1966.

**Texas Panhandle:** Union Oil of California's Bradstreet Unit 1-89 in Hemphill County reached TD of 20,042 ft., exceeding the 18,080-ft. mark

set in 1965 by Phillips' Dyson 1A in Wheeler County.

**Colorado:** Mobil's Picance Creek 52 in Rio Blanco County set a new record at 19,710 ft., replacing Kerr-McGee and Humble's Uravan 1, drilled to 18,354 ft. in 1963.

**Utah:** Mobil's Gregory F-44-21 in Summit County set a new depth mark at 16,670 ft., surpassing Pan American's 16,237 ft. Pace State 1, Grand County, drilled in 1964.

**Arkansas:** Humble's 16,611-ft. Georgia-Pacific 1 in Ashely County established a new record below the 13,837-ft. mark set in 1965 by Midwest Oil's USA 1 in Logan County.

**Ohio:** The state's first well drilled below 10,000 ft. was Amerada's Robert Ullman 1 in Noble County, with TD of 11,442 ft. The previous record of 8,622 ft. was set in 1961.

**Tennessee:** Gulf Oil's 10,748-ft. Spinks 1 in Henry County is more than 4,700 ft. deeper than the old record of 6,021 ft. set by Benz Oil Corp.'s J. E. Merritt 1 in 1966.

**Holders of Record as Deepest Test Drilled**  
(Includes Both Dry and Producing Wells)

Year	Company, Well and Location	Feet
1927	Chandler-Canfield-Midway Oil Co.'s Olinda 96, Olinda, California	8,046
1928	Texon Oil and Land Co.'s University 1-B, Big Lake, West Texas	8,523
1929	Shell Oil Co.'s Nesa 1, Long Beach, California	9,280
1930	Standard Oil Company of California's Mascot 1, Midway, California	9,753
1931	Chandler-Canfield-Midway Oil Co.'s Hobson A-2, Rincon field, Ventura County, Calif.	10,030
1931	Penn-Mex Fuel Co.'s Jardin 35, State of Vera Cruz, Mexico	10,585
1933	North Kettleman O. & G. Co.'s (later Union Oil's Lillis-Welch 1) Kettleman Hills, Calif.	10,944
1934	General Petroleum Corp.'s Berry 1, Belridge, Kern County, California	11,377
1935	Gulf Oil Corp.'s McElroy 103, Gulf-McElroy, Upton County, W. Texas	12,786
1938	Continental Oil Co.'s KCL A-2, Wasco, Kern County, California	15,004
1944	Phillips Petroleum Co.'s Price 1, Wildcat, Pecos County, West Texas	15,279
1944	Standard Oil Co. of California's KCL 20-13, South Coles Levee, Kern County, California	16,246
1945	Phillips Petroleum Co.'s Schoeps 3, Wildcat, Brazos County, Gulf Coast, Texas	16,655
1946	Pacific Western Oil Corp.'s National Royalties 1, Miramonte area, Kern County, Calif.	16,668
1947	Superior Oil Company of California's Weller 51-11, Wildcat, Caddo County, Okla.	17,823
1949	Superior Oil Company of California's Limonera 1, Wildcat, Ventura County, Calif.	18,734
1949	Superior Oil Company of California's Unit 1, Wildcat, Sublette County, Wyoming	20,521
1953	Ohio Oil Co.'s Kern County Lands "A" 72-4, Paloma field, Kern Co., California	21,482
1956	Richardson & Bass, Freeport Sulphur & J. W. Mecom's Humble-L.L.&E. 1-L, Plaquemines, S. Louisiana	22,570
1958	Phillips Petroleum's University EE-1, Wildcat, Pecos County, West Texas	25,340