

OIL & GAS CONSERVATION COMMISSION  
Meeting: May 15, 1968  
John Bannister, Executive Secretary

# Oil's Heavy Tax Burden Attributed To Higher U.S. Income Taxes

**H**IGHER FEDERAL income tax payments during 1966 have been cited as the principal reason for an increase of almost a half billion dollars in total taxes paid by the domestic petroleum industry as compared to 1965.

In a report prepared by the Petroleum Industry Research Foundation, Inc., it was shown that total taxes on the domestic petroleum industry's earnings, operations and properties rose sharply in 1966 to almost \$2.5 billion, compared to \$2.0 billion in 1965 and \$1.7 billion in 1964.

The study, which has been published by PIRINC in booklet form under the title of "The Tax Burden on the Domestic Oil and Gas Industry—1964-1966," was prepared to "provide a numerical answer to the frequently discussed question of how the tax burden on the U. S. domestic oil and gas industry compares with that of other American industries."

Working with 27 companies which represent 65 percent of the total domestic crude oil production, 85 percent of domestic refining operations and more than 80 percent of U. S. foreign oil revenues, the Foundation then obtained similar domestic revenue data and total tax payments for all U. S. mining and manufacturing corporations and for all U. S. business corporations.

In order to measure the relative tax burden on oil and other industries, PIRINC computed ratios of total domestic tax payments to total domestic gross revenue, which it considered the most reliable yardstick available to measure the tax burden on a comparable inter-industry basis.

It was learned that the total domestic tax payments of the 27 oil companies amounted to \$1.92 billion in 1966, \$1.57 billion in 1965 and \$1.31 billion in 1964. Federal income taxes during the comparable three years was \$658 million in 1966, \$433 million in 1965 and \$263 million in 1964.

## Domestic Taxes of the 27 Petroleum Companies

(in million dollars)

Taxes	1966	1965	1964
Federal Income	658	433	263
State Income	58	46	34
Severance & Production	354	331	297
Property & Ad Valorem	433	398	354
Payroll	185	141	133
Pipeline	41	50	45
Misc.	193	174	183
Total	1,922	1,573	1,309

When these payments were expanded to the entire oil industry on the basis of the companies' composite share in total U. S. production and refinery runs, total tax payments amounted to \$2,460 million in 1966 of which \$775 million were income taxes; \$2,030 million in 1965 of which \$510 million were federal income taxes; and \$1,725 million in 1964 of which \$310 million were income taxes.

## Domestic Taxes of the U.S. Oil and Gas Industry

(in million dollars)

	1966	1965	1964
Federal Income Taxes	775	510	310
All Other Taxes (except excise & sales)	1,685	1,520	1,445
Total Domestic Tax Payments	2,460	2,030	1,725

Federal income taxes represented 34 percent of 1966 total taxes as compared to 27 percent in 1965 and 20 percent in 1964.

According to PIRINC: "The distribution of taxes in the petroleum industry differs distinctly from that of U. S. industry in general. Approximately half of the total U. S. corporate tax payments and nearly 60 percent of the total tax payments of U. S. mining and manufacturing industries were federal income tax payments for the fiscal periods 1964 and 1965, compared with the 20 percent and 27 percent respectively, of the group of oil companies.

"It is this relatively lower effective federal income tax rate in the petroleum sector than in the U. S. industry in general that has given rise to the question of the equity of the oil industry's tax burden.

"However," the PIRINC study continued, "as was pointed out, all taxes initially are a burden on the taxpayer. Hence, the fact that taxes paid to state and local authorities are proportionately larger for the oil industry than for other industries cannot be ignored in answering the question about the industry's tax equity."

The bulk of the other taxes was levied on the production of oil and gas in the form of severance and production taxes, mainly at the state level, and local taxes, consisting mainly of property taxes levied by communities and counties on oil refineries, terminals, bulk plants, inventories as well as on oil and gas deposits in the ground, the study explained.

"The difference in the tax distribution pattern between oil and other industries is due to a number of special factors, including two provisions in the federal income tax statutes applicable to mineral industries only; namely, percentage depletion and the treatment of intangible drilling and development expenditures. Percentage depletion is designed to enable oil and gas producers to recover the value of their depleting deposits by allowing a deduction up to 27.5 percent of the gross value of production (restricted by the 50 percent net income limitation); producers also have the option of either capitalizing or writing off immediately the bulk of their drilling expenditures."

Both these factors tend to reduce the petroleum industry's federal income tax burden as defined in this study, PIRINC stated, however, they apply only to the producing sector of the industry. "It is this sector which also bears most of the industry's severance, production and property taxes. Therefore, a determination of whether the petroleum industry pays an equitable share of taxes must take into account these other taxes, too."

In this instance then, the study found that in 1966, for each dollar of domestic revenue the 27 companies paid out 6.03 cents in domestic taxes. The average for the three-year period, 1964-66, was 5.5 cents per dollar of revenue (exclusive of excise and sales taxes). It is interesting to note, from the chart, that there was a steady increase in the tax burden during these three years, the principal reason for which "is the increase in federal income taxes. These taxes have increased much more rapidly than domestic gross revenues."

#### The Domestic Tax Burden 27 Major Oil Companies

(in million dollars)

	1966	1965	1964
Domestic Gross Revenues	31,885	29,957	27,130
Total Domestic Taxes	1,922	1,573	1,309
Tax Burden:			
Tax/Revenue Ratio	6.03%	5.43%	4.82%

PIRINC said that as a final step in seeking to determine the equity of the oil industry's tax burden, it was compared with the tax burden on all mining and manufacturing, and on all business corporations in general (with the elimination of the beverage, tobacco and communications industries since "it was not possible to determine how much of their heavy excise taxes—which do not form part of the tax burden, as defined in this study—were included in their gross revenues and tax payments"). The findings of this comparison is shown in the accompanying chart.

Another substantiation of PIRINC's general conclusion about petroleum industry's relatively higher total domestic tax burden is shown by comparing

tax payments and Value Added, which refers to the net value of goods created within a given industry as opposed to Sales Value which also includes the cumulative net values created at the various previous stages of production. "Like gross revenue, Value Added is the gauge of measuring an industry's contribution to the economy," the study says.

This comparison showed that the petroleum industry's estimated total domestic tax payment of \$2 billion for 1963 was equal to 15.5 percent of the total officially reported Value Added by the domestic oil and gas producing and refining industry for that year, the study reported. By comparison, the total domestic taxes of \$24.3 billion imposed upon U. S. mining and manufacturing industry as a whole were equal to only 12 percent of total Value Added by that sector of the economy.

"Thus," the study concluded, "the tax burden per dollar of value added was one-third higher for the petroleum industry than for mining and manufacturing industries as a whole."

#### Comparative Revenue and Taxes

(in million dollars)

	Twenty-Seven Oil Companies	All Business Corporations	Ratio %
Revenue (1965)	28,957	995,252	2.91
Taxes (1965)	1,573	45,999	3.42
Revenue (1964)	27,130	991,546	2.74
Taxes (1964)	1,309	42,748	3.06

PIRINC concluded its study with a clarifying statement concerning the analysis of tax burden of the U. S. oil industry. "It may be worthwhile," the study said, "to point out a frequent error made in analyzing the tax burden of the U. S. oil industry. The published annual reports of most oil companies show net earnings only on a global basis. However, the federal income tax liability, as reported in form 10-K, applies almost exclusively to the domestic earnings . . . Though it is obviously misleading to relate global earnings to U. S. income taxes, thereby ignoring the large amount of income taxes paid abroad, this is frequently done in calculations of the oil industry's tax burden."

The 27 companies included in the PIRINC study are: Amerada Petroleum Corp., Apco Oil Co., Ashland Oil & Refining Co., Atlantic Richfield Co., Cities Service Co., Continental Oil Co., General American Oil Co. of Texas, Getty Oil Co., Gulf Oil Corp., The Louisiana Land and Exploration Co., Marathon Oil Co., Mobil Oil Corp., Phillips Petroleum Co., Shell Oil Co., Signal Oil and Gas Co., Sinclair Oil Corp., Skelly Oil Co., Standard Oil Co. of California, Standard Oil Co. (Indiana), Standard Oil Co. (New Jersey), The Standard Oil Co. (Ohio), Sun Oil Co., The Superior Oil Co., Texaco Inc., Tidewater Oil Co. and Union Oil Co. of California. ▲▲▲



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

A G E N D A

Meeting

May 15, 1968

204 Arizona State Office Bldg.  
1624 W. Adams, Phoenix

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

- To be corrected*
1. Approval of minutes of meeting of April 24, 1968
  2. Executive Secretary's Report
  3. Geologist's Report
  4. Old business
  5. New business
  6. Adjourn

10:00 a.m. Hearing: Case 30, Texaco Inc. request for unorthodox gas well location

11:00 a.m. Hearing: Case 31, to amend Rule 105.D to allow administrative approval of unorthodox location of re-classified existing wells. *Note: addition to amendment*

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

Minutes of Meeting  
April 24, 1968

Present:

Mr. Lucien B. Owens, Chairman  
Mr. George T. Siler, Vice Chairman  
Mr. Ralph W. Bilby, Member  
Mr. John Bannister, Executive Secretary  
Mr. J.R. Scurlock, Geologist  
Dr. Willard Pye, University of Arizona  
Mr. R.A. Needel, Yuma, Arizona  
Mr. Loy Turbeyville, Phoenix, Arizona  
Mr. Alfred L. Morgan, Yuma, Arizona  
Hon. Harold Giss, Senator, Yuma, Arizona  
Mr. C. Thomas Hollenshead, El Paso Natural Gas Co.  
Mr. James R. Pickett, Phoenix  
Mr. James C. Vandiver, Farmington, N.M.

Absent:

Mr. Lynn Lockhart, Member  
Mr. Kenneth G. Bentson, Member

Meeting called to order at 9:30 a.m. at the Stardust Hotel, Yuma, Arizona

Mr. Bilby moved, Mr. Siler seconded, that the minutes of meeting of February 21, 1968 be approved; so ordered.

Mr. Bilby moved, Mr. Siler seconded, that the action in issuing Order 30A, Case 28, Nunc Pro Tunc, was in line and as issued is approved; so ordered.

Mr. Bilby moved that a temporary order for thirty days be granted to Texaco Inc. to allow it to produce helium from its #1 Navajo Z well, which is in an unorthodox gas well location.

The executive secretary was directed to set up for May 15, 1968 the necessary hearing to formally approve this unorthodox location and a hearing to amend the rules and regulations to allow administrative action in approving unorthodox locations of re-classified wells.

Meeting adjourned at 9:55 a.m.

The public interest portion of the meeting convened at 10:05 a.m. to present a pictorial report on Dineh bi Keyah Field; Dr. Pye's presentation on oil and gas possibilities in southwest Arizona, and Mr. C.T. Hollenshead's presentation on the activities of El Paso Natural Gas Company in Yuma County, and for open discussion.

Meeting adjourned at 12:15 p.m.

APPROVED May 15, 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

May 9, 1968

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

I am sure that each of you have seen the recent publicity concerning the proposed rule of Bureau of Mines, Department of Interior, affecting the sales of helium.

Briefly, the proposed rule states that a distributor (as distinguished from Arizona producers) must physically take from the Division of Helium in Amarillo an amount of helium equal to the amount sold to a consumer who is using this helium in any venture in which federal funds or government agencies are in any way involved. This would apply to anyone using helium in excess of one MCF per month.

The distributor furnishing this helium must report monthly to the Bureau of Mines and show that he has taken into his system a like amount of gas from the Helium Division.

Traditionally, the federal government through its helium program has supplied all government agencies with their helium requirements. This accounts for approximately 80% of the existing market. It has been estimated that this proposed rule would result in the Bureau of Mines acquiring an addition 15-18% of the existing market. If carried to the ultimate this could make Arizona's producers dealing in essentially a waste product in that a distributor could not afford to buy a like amount at the government price (\$35.00 per MCF).

As you may know, Kerr-McGee has recently dropped its price from \$28.00 per MCF. (The effect of this is to lower the wellhead price from \$1.062 to \$0.668 for State royalty purposes.)

Kerr-McGee, Cities Service, Phillips, Kansas Helium Corporation, and Air Reduction, the five largest private producers, would be affected by the propose rule and are protesting its adoption.

Air Reduction called upon this office to secure our support. After discussion of this problem with the Governor, I drew up a letter to

Secretary Udall expressing the State of Arizona's opposition to the adoption of the proposed rule in that it would have great effect on our own helium industry, as well as cause smaller tax and royalty revenues. I also cited the effect this would have on the Navajo Reservation and on our general exploration picture.

I have been advised by Air Reduction that its plant being built near Tec Nos Pos, in the extreme northeast corner of our State, should be on stream by the 10th or 15th of this month. Air Reduction further advised its prime interest is liquid helium and should reserves in this area be proven, it is their intent that this "pilot" plant end in the construction of the largest helium liquidation plant in the United States. This of course would be of great benefit not only to the Indians but also to the State.

Arizona Helium Corporation has again advised this office that it anticipates to be on stream at its plant near Navajo by the 15th of this month. As you recall production has been delay from the middle of February to the middle of March to the middle of April, and now to the middle of May.

Arizona Helium Corporation is now in the process of merging Apache Drilling Company, and there are rumors that it will also merge with Eastern Petroleum Company. Arizona Helium is engaged in several joint ventures with Eastern. I have had no confirmation nor denial of the rumored merger between Arizona Helium and Eastern.

Oil Discovery Corporation, which recently drilled a failure southwest of Flagstaff, has announced its intention to drill another well in the Sedona area, pending the settlement of a disagreement among its stockholders. This disagreement concerns its syndicate (investors) relationship with the regular stockholders. The syndicate represents groups of California investors who form syndicates to buy stock within the State of Arizona.

#### Rumors

The rumor factory is rather active at this time. It is rumored that the Navajos are not going to issue leases bid upon at the last sale in February. It is possible that this is an attempt of the Navajos to fight back at increased company pressure to get prices on the Reservation as well as royalty more in line and reflecting a truer picture of values.

It is rumored that Skelly Oil Company recently obtained a seismic exploration permit on the Reservation. The Indians reportedly are charging \$500.00 per section, as well as immediate posting with the Indians all seismic information gained. Apparently Skelly warned that if this were done they would back off the Reservation and never again come one. It is reported that the Indian's attorney advised them to drop the requirement for the immediate filing of this information, but apparently the \$500.00 per section is to be enforced.

There is also a rumor that a refinery now located at Eagle Springs (northeast New Mexico) may be brought into northern Arizona. I have no further information.



The adopted procedure for capacity tests for gas well has been printed and distributed. So far, all comments received have been favorable.

Kerr-McGee questioned the intent of the Commission in its proposed rule change, Case 31. I do not know at this time whether they will appear in opposition to our proposed change which will allow the Commission to administratively approve an unorthodox well in the case of a well being re-classified. I believe that my explanation has satisfied Kerr-McGee that all parties who might be involved would be amply protected.

Case 30 and Case 31, as you are aware, will be heard before the Commission at 10:00 a.m. and 11.00 a.m. respectively. I do not contemplate that either hearing will be complicated or long-drawn out. They will be conducted in our own hearing room.

You will recall that the operators of certain wells were given to the last of May in which to commence operations or plug the wells. These operators are Harold Ferring, two wells in the Holbrook area; James Potter, one well in the Flagstaff area; C & J Drilling Company, one well near Congress Junction; and J.M. Frazer, one well in Cochise County. To date I have heard nothing from any of these operators.

Consequently, as of this writing we should look forward to having one hearing wherein all these operators are called upon to show cause why these wells should not be ordered plugged. This of course would be at the June meeting.



NOTICE OF HEARING

CASE No. 31

Notice is hereby given that the OIL AND GAS CONSERVATION COMMISSION, STATE OF ARIZONA, will hold a hearing May 15, 1968 at 11:00 a.m. in its office, Room 204, 1624 W. Adams, Phoenix, Arizona, to consider ammendment to Rule 105.D. by adding thereto the following:

"In the event of change of classification of an existing well due to its re-completion or due to change in the nature of the product being produced or due to change of the gas-oil ratio, an unorthodox location may be administratively approved upon proper application with supporting *and proof of notice to adjoining base owners* data and without the above specified ten days notice and hearing."

OIL AND GAS CONSERVATION COMMISSION  
STATE OF ARIZONA

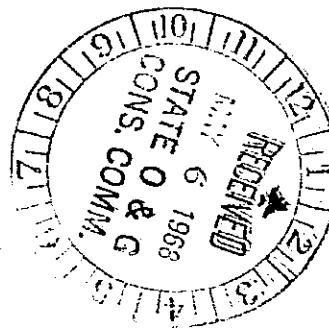
ATTEST

(Original signed: John Bannister)

Executive Secretary

By (Original signed)  
Lucien B. Owens, Chairman

ROCKY MOUNTAIN MINERAL LAW FOUNDATION  
FOURTEENTH ANNUAL INSTITUTE  
Flagstaff, Arizona  
July 11-13, 1968



TOO BUSY TO TAKE A VACATION?

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KEEP UP WITH DEVELOPMENTS  
IN NATURAL RESOURCES LAW  
AND GIVE YOUR FAMILY  
A VACATION IN THE  
SCENIC WONDERLAND  
OF THE SOUTHWEST

Flagstaff, Arizona, was chosen as the site of the Fourteenth Annual Institute of the Rocky Mountain Mineral Law Foundation because it offers unparalleled opportunities for you to combine your continuing legal education and a real vacation with your family. Flagstaff is known as "The City of Seven Wonders" because the San Francisco Peaks, Grand Canyon, Oak Creek Canyon, Walnut Canyon, Wupatki, Meteor Crater and Sunset Crater are in the immediate vicinity.

Flagstaff is also within an easy day's drive from Lake Powell, Las Vegas, Monument Valley, Petrified Forest, Bryce Canyon and Zion National Monument. It is situated in wooded, mountainous country and is pleasantly cool in July. Accommodations are outstanding - over 30 first class motels - 12 of them within walking distance from the beautiful campus of Northern Arizona University where the Institute will be held. If you prefer the outdoor life, the campgrounds in Oak Creek Canyon are as beautiful as any in the West.

The program is excellent, featuring prominent experts chosen with an eye to scholarly ability, practical experience and ability to communicate. You can't afford not to attend!

For further information contact:

Richard H. Bate  
Executive Director  
Rocky Mountain Mineral Law Foundation  
University of Colorado  
Boulder, Colorado 80302

Thurs. 7-11  
Sat. 7-13

ROCKY MOUNTAIN MINERAL LAW FOUNDATION  
FOURTEENTH ANNUAL INSTITUTE  
Flagstaff, Arizona

General Session  
Thursday, July 11, 1968

9:30 A.M.	John A. Carver, Jr.; Commissioner Federal Power Commission "Regional Water Policy"	11:00 A.M.	George Munroe; Pres., Phelps Dodge Corp. "Legal-Economic Problems of Mining on Public Land"
2:00 P.M.	Lic. Fausto R. Miranda; Baker, Botts, Miranda, Santamarina & Steta "Mineral Exploration in Mexico"	3:00 P.M.	Owen Olpin; O'Melveny & Meyers "Geothermal Problems"

4:00 P.M. Seymour S. Bernfeld; AMAX, Inc.  
"Pitfalls of Hard Rock Mineral  
Acquisitions under the High Seas"

Split Session  
Friday, July 12, 1968

OIL AND GAS		MINING	
9:00 A.M.	Vernon Turner; Tenneco Oil Co. "Royalty Payment Delays"	9:00 A.M.	Robert S. Campbell, Jr.; Parsons, Behle, Evans & Latimer "Mineral Condemnation Cases-Trial"
10:00 A.M.	Douglas Henriquez; BLM, Wash. "Public Land Oil & Gas Leasing- Administrative Changes in the BLM"	10:00 A.M.	R. Timothy Robberson; Superior Oil Co. "Mining Joint Operating Agreements"
11:00 A.M.	Robert Krueger; Nossaman, Waters Scott, Krueger & Riordan "Outer Continental Shelf Leasing"	11:00 A.M.	Edward B. Berger; Whitehill, Feldman, Scott & Berger "Indian Land Titles"
2:00 P.M.	Henry F. Coffey; CER Geonuclear "Nuclear Explosions as an Aid to Oil & Gas Recovery"	2:00 P.M.	George Reeves; Twitty, Sievwright & Mills "Admendment vs. Relocation"
3:00 P.M.	Ben Howell; El Paso Nat. Gas Co. "Gasbuggy Project-Legal Problems"	3:00 P.M.	Kent Shearer; Neslen & Mock "Federal Land Grants to the States"
4:00 P.M.	James Sperling; Modrall, Seymour, Sperling, Roehl & Harris "A Second Look at the Oil and Gas Lease"	4:00 P.M.	Don H. Sherwood; Dawson, Nagel, Sherman & Howard "Is What was Once Public Land Now Government Land?"

Split Session  
Saturday, July 13, 1968

WATER LAW SECTION		LANDMEN'S SECTION	
9:00 A.M.	Raphael J. Moses, Esq. "Basic Groundwater Problems"	9:00 A.M.	H. Stanley Dempsey; Climax Molybdenum Company "Basic Problems in Locating Claims"
10:00 A.M.	F. Harlan Flint, Jr.; Asst. Attorney General-New Mexico "Basic Groundwater Problems- Non Tributary Sources"	10:00 A.M.	R. Lewis Brown; Anaconda Company "Field Record Checks - Where & When"
11:00 A.M.	Gary Widman; University of Denver "Basic Groundwater Problems - Tributary Sources"	11:00 A.M.	Robert E. Holt; President Holt, Inc. "When to See your Attorney & Why"

The Foundation has 300 First class motel rooms reserved for the Institute in Flagstaff. Please make your reservations through the Fdn. offices by June 28, including a \$20 deposit and informing us of:

1. Type of accommodations required (Single) ☐ (Double) ☐ (Other) ☐

2. Date of arrival \_\_\_\_\_ Length of stay \_\_\_\_\_ No. in party \_\_\_\_\_

Air service to Flagstaff is via Frontier Airlines from Denver, Phoenix, Albuquerque and Salt Lake City; rail service is via Santa Fe Railway and bus service is via Greyhound and Continental Trailways. Airport facilities for private aircraft and rental cars are available at Flagstaff.

Flagstaff is the center of the outstanding scenic attractions of the Southwest and you should plan to drive to the Institute and bring your family for a vacation if at all possible.

**REGISTRATION FORM**

14th Annual Rocky Mountain Mineral Law Institute  
Flagstaff, Arizona  
July 11, 12, 13, 1968

NAME \_\_\_\_\_ POSITION \_\_\_\_\_

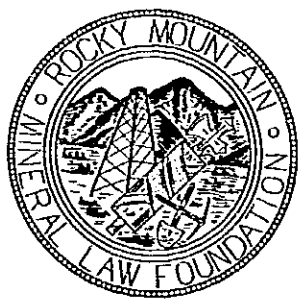
FIRM or COMPANY \_\_\_\_\_ ADDRESS \_\_\_\_\_

CITY and STATE \_\_\_\_\_

All Sessions, \$40 ☐      Single Session, \$20 ☐

Attorneys' Sustaining Member ☐      Trustee ☐

Payment Enclosed ☐      Please bill ☐



## THE ROCKY MOUNTAIN MINERAL LAW FOUNDATION

### *Attorney's Sustaining Membership Program*

Since 1962, the Rocky Mountain Mineral Law Foundation has annually offered to individual attorneys, law firms and corporate legal departments the opportunity to become Sustaining Members of the Foundation. The benefits of this program are such that no lawyer who either plans to attend the annual Institute or to order a volume of the annual Institute proceedings should pass up this opportunity without serious consideration.

The following pages explain these benefits in detail, but an example of the savings available through this plan will illustrate the point. If a law office or corporate law department consists of two lawyers who plan to attend the annual Institute and the office is not a sustaining member, the total registration fee for the annual Institute will be \$80.00. If the office is a sustaining member the total registration fee is \$60.00, and the firm will be listed as a sustaining member in the volume of the Institute proceedings for that year.

I urge you to take this opportunity to become a sustaining member by completing the application form at the end of this folder and mailing it, along with your check, to the Rocky Mountain Mineral Law Foundation.

Richard H. Bate  
Executive Director

## ATTORNEY'S SUSTAINING MEMBERSHIP PLAN

### The Rocky Mountain Mineral Law Foundation

#### WHAT IS THE FOUNDATION?

The Foundation is an educational, non-profit corporation. It was organized in 1955 as a cooperative project of law schools, bar associations, mineral associations and mineral industries for the purpose of stimulating research in and the continuing study of mineral law and its development. The Foundation now represents 15 law schools, the Mineral and Natural Resources Section of the American Bar Association, 9 state bar associations and 11 industry associations.

#### WHAT DOES THE FOUNDATION MEAN TO YOU AS AN ATTORNEY?

•**Annual Institutes:** The Foundation annually presents a three day Institute devoted to oil and gas law, mining law, water law, and allied subjects which is designed to enhance the professional skills of the registrants. The speakers at these Institutes are outstanding authorities in the field of natural resources law.

•**Publications:** The proceedings of each annual Institute—an excellent source of reference material on significant problems in the mineral law field. *The American Law of Mining*—a truly up-to-date treatise covering all areas of mining law in five volumes. *The Gower Federal Service*—a loose leaf service that is the working bible for attorneys interested in oil and gas leasing on federal lands. *The Gower Federal Service on Outer Continental Shelf Lands*—a similar service devoted to this particular area of the law. *The Gower Federal Service (Mining)*—a loose leaf service which provides all Solicitor's Opinions, pertinent decisions of the Bureau of Land Management and abstracts of judicial decisions affecting the general mining law. *The Gower Federal Service (Mining) Laws and Regulations*—a loose leaf service containing Federal and selected state mining laws and regulations. *The Law of Federal Oil and Gas Leases*—a complete treatise relating to this complicated area of law. *The Rocky Mountain Mineral Law Review*—a semi-annual periodical containing reprints, abstracts and indexes to all literature concerning oil and gas and mining law and taxation. *The Water Law Newsletter*—a quarterly review of water law developments.

•**Research Center:** The Mineral Law Research Center of the Rocky Mountain Mineral Law Foundation was organized to collect, index and make available unpublished research materials in the area of mineral law. All materials in the Research Center are available to member attorneys or firms for the cost of reproduction.

#### WHY SHOULD YOU BECOME A FOUNDATION MEMBER?

- It enables you to continue to increase your legal proficiency in the field of mineral law.
- It enables you—and any members of your firm—to attend the annual Institutes without payment of the registration fee, and the annual Institute volume for that year identifies you as a sustaining member.
- It entitles you and your firm to the use of all Research Center materials for the cost of reproduction, and various Foundation publications, such as the *Rocky Mountain Mineral Law Review*, are available to members at a reduced price.
- The membership fee is tax deductible.

#### WHAT IS THE COST OF MEMBERSHIP?

- Individual attorneys: \$ 40.00
- Law firms of three or fewer partners or associates: \$ 60.00
- Law firms of four through nine partners or associates: \$ 90.00
- Law firms of ten or more partners or associates: \$ 125.00

#### HOW DO I BECOME A SUSTAINING MEMBER OF THE FOUNDATION?

Simply complete the attached application form for the current calendar year and transmit it, together with your check for the appropriate amount, to the Rocky Mountain Mineral Law Foundation.

#### Application for Sustaining Membership

The Rocky Mountain Mineral  
Law Foundation  
Fleming Law Building  
University of Colorado  
Boulder, Colorado

Date \_\_\_\_\_

I (We) hereby apply for a Sustaining Membership in The Rocky Mountain Mineral Law Foundation.

My (Our) check in the amount of \$ \_\_\_\_\_ is enclosed for membership dues for the calendar year 196 , on the basis of the following schedule:

Individual attorney	\$ 40.00
Law firm of three or fewer partners or associates	\$ 60.00
Law firm of four through nine partners or associates	\$ 90.00
Law firm of ten or more partners or associates	\$ 125.00

I understand that an individual Sustaining Membership entitles me to attend this year's Rocky Mountain Mineral Law Institute *without* payment of the Institute registration fee and that a firm Sustaining Membership entitles any or all partners or associates in our firm to attend said Institute *without* payment of the registration fee.

Name \_\_\_\_\_ Firm \_\_\_\_\_

No. in Firm \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

RECEIPTS	CLASSIFICATION
MONTH OF	
1968	1 Permit
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12	
13	
14	
15	
16	
17	
TOTAL CURRENT MONTH RECEIPTS	
TRANSFERS IN	
BALANCES BROUGHT FORWARD	
TOTALS - MONTH AND YEAR TO DATE	
7	
EXPENDITURE	
FUND TITLES	
1 Personal Service	
2 Current Expenditure	
3 Travel-state	
4 Travel-out of state	
5 Capital Outlay	
6 Current Fixed Charge	
7 Professional Service	
8 Museum, N. Arizona	
9 Ariz. Bu Mines, Uo	
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13	

CLAIMS PAID MONTH OF APR 1968  
2,210.81  
345.71  
83.09  
2,239.61  
625.00



NON-PROFIT  
BULK  
Permit No. 273  
Boulder, Colo.

ROCKY MOUNTAIN MINERAL LAW FOUNDATION  
University of Colorado School of Law  
Boulder, Colorado

#### MEMBERS

#### OF THE ROCKY MOUNTAIN MINERAL LAW FOUNDATION

##### Law Schools

University of Arizona  
University of Colorado  
Creighton University  
University of Denver  
University of Idaho  
University of Kansas  
University of Montana  
University of Nebraska  
University of New Mexico  
University of North Dakota  
University of Oklahoma  
University of South Dakota  
Stanford University  
University of Utah  
University of Wyoming

##### Bar Associations

American — Natural Resources  
Arizona  
Colorado  
Idaho  
Montana  
Nebraska  
New Mexico  
South Dakota  
Utah  
Wyoming

##### Mining Associations

American Mining Congress  
Arizona Mining Association  
Colorado Mining Assn.  
Idaho Mining Assn.  
New Mexico Mining Assn.  
Utah Mining Assn.  
Wyoming Mining Assn.

##### Oil & Gas Associations

American Association of  
Petroleum Landmen  
New Mexico Oil & Gas Assn.  
Rocky Mountain Oil & Gas Assn.  
North Dakota Oil & Gas Assn.

# MONTHLY FINANCIAL REPORT

2	3	4	5
RECEIPTS	RECEIPTS	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS
MONTH OF	CLASSIFICATION		TOTAL ALL RECEIPTS YEAR TO DATE
Apr 1968	1 Permit to Drill		925 00
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
	11		
	12		
	13		
	14		
	15		
	16		
	17		
	TOTAL CURRENT MONTH RECEIPTS		XXXXXX
	TRANSFERS IN		
XXXXXX	BALANCES BROUGHT FORWARD	11,245 25	XXXXXX
	TOTALS - MONTH AND YEAR TO DATE	11,245 25	925 00

6	7	8	9	10	11
CLAIMS PAID MONTH OF	EXPENDITURES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
Apr 1968	FUND TITLES				
2,215 00	1 Personal Services	29,500 00	23,425 00		6,075 00
345 21	2 Current Expenditures	7,565 00	3,979 50	359 65	3,225 85
83 09	3 Travel-state	5,000 00	3,069 31	1,158 00	772 69
225 40	4 Travel-out of state	2,500 00	1,813 54		686 46
	5 Capital Outlay				
	6 Current Fixed Charges	540 00	399 91	14 00	126 09
	7 Professional Services	2,000 00	1,612 36		387 64
	8 Museum N. Arizona	2,500 00	1,250 00	625 00	625 00
625 00	9 Ariz. Bu Mines, UofA	2,500 00	2,500 00		
	10				
	11				
	12				
	13				
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	25				
	26				
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	29				
	30				
3,494 20	TOTALS	52,105 00	38,049 62		11,575 73

FORM 12-A POST AUDITOR

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

AGENCY STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

DIVISION

IDENTIFICATION CODE NO.

1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF Apr 19 68
22,150.00	110	1 Salaries, wages: employees	2,215.00
1,275.00	150	2 Per diem: board members	
		3	
		4	
393.57	211	5 Postage	145.12
1,301.21	212	6 Telephone, telegraph	125.00
3,069.31	220	7 Travel-state	83.09
1,813.54	230	8 Travel-out of state	225.40
1,612.36	240	9 Professional services	
40.52	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)	
3,778.40	299	13 Miscellaneous (blueprint service, Ariz Bu Mine	631.08
		14 Museum N Arizona )	
		15	
		16	
1,016.35	310	17 Office supplies	23.90
468.39	360	18 Scientific supplies: drafting, correlated logs	42.39
112	370	19	
29.02	390	20	3.22
		21	
		22	
		23	
		24	
280.00	411	25 Rent, office equip: copy machine	
21.11	417	26	
		27	
		28	
98.80	430	29 Subscriptions/organizations dues	
		30	
		31	
		32	
		33	
250.00	995	34 To create revolv fund	
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		55	
38,049.62		TOTAL	

OFFICE

(DO NOT WRITE BELOW THIS LINE)

FILED