

OIL & GAS CONSERVATION COMMISSION
Meeting: June 19, 1968
Mr John Bannister, Exec. Secretary



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

*July - None
 Aug 21st - Flag
 Oct - Flag
 Nov. - Bisbee*

*on agenda
 Note to notify
 if not attending*

A G E N D A

MEETING

June 19, 1968

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

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

- ✓ 1. Approval of minutes of meeting of May 15, 1968
- ✓ 2. Executive Secretary's report
- ✓ 3. Geologist's report
- ✓ 4. Old business
- ✓ 5. New business *plugging of old wells
 vacations: conflict with summer mtgs?*
6. Adjourn

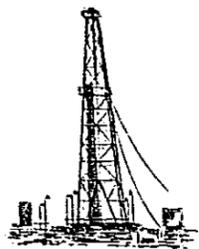
10:00 a.m. Hearing: Case 32, to consider why the Fraser #1 State and the Popper #1 State wells shall not be ordered plugged. *Ferrin*

Vacation schedule - Bisbee - July out

New Permits:

*Pan Am #1AE Navajo SENE 1-35N-29E
 Dinah bi Kejah*

Eastern #1 Fed. NWSW 10-14N-11E, Coconino County



JOHN M. FOUTS, JR., VICE-PRESIDENT

McCulloch Oil Management Company of California

INCORPORATED



May 31, 1968

Mr. John Bannister
Oil and Gas Conservation Commission
1624 West Adams - Room 202
Phoenix, Arizona 85007

Dear John:

Thank you very much for the material regarding Oil and Gas Conservation in Arizona. Am delighted to have it for reference and will certainly be keeping you in mind when we talk with the university people regarding their Summer mapping programs outside of California.

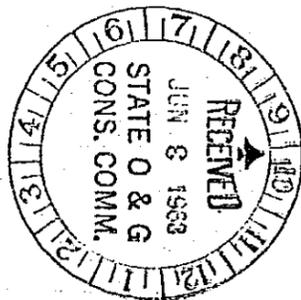
Best regards.

Sincerely,

Jack

John M. Fouts, Jr.

JMF:pk





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

NOTICE OF HEARING

Case No. 32

Notice is hereby given that the OIL AND GAS CONSERVATION COMMISSION, STATE OF ARIZONA, will hold a hearing on its own motion in Room 204, 1624 W. Adams, on June 19, 1968 at 10:00 a.m., to consider why the below listed wells shall not be ordered plugged by the operator of record for failure to comply with the Commission's letter dated January 17, 1968:

Harold Ferrin, operator, Ferrin #1 NMA, NW NW 22-19N-17E,
Navajo County, Arizona, Permit 344
Harold Ferrin, Operator, Ferrin #1 Aja Cattle Co.-Babbitt
Bros. Fee, SW NW 4-17N-16E, Navajo County, Arizona,
Permit 350
J.M. Frazer, operator, Frazer #1 State, NE SE 19-21S-23E,
Cochise County, Arizona, Permit 93
James M. Potter, operator, Potter #1 State 8219, SW NW
24-20N-5E, Coconino County, Arizona, Permit 351.

OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA

ATTEST
(Original signed)

John Bannister
Executive Secretary

(Original Signed: Lucien B. Owens)
By _____
Chairman

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

MINUTES OF MEETING
May 15, 1968

Present:

Mr. Lucien B. Owens, Chairman
Mr. R.W. Bilby, Member
Mr. Kenneth G. Bentson, Member
Mr. John Bannister, Executive Secretary
Mr. J.R. Scurlock, Geologist

Absent:

Mr. Lynn Lockhart, Member
Mr. G.T. Siler, Member

Mr. Henry F. Straw, Texaco, Inc., Farmington, N.M.
Dr. Willard Pye, University of Arizona
Mr. O.B. Lassen, State Land Commissioner
Mr. F.C. Ryan, State Land Department
Mr. Mike O'Donnell, O'Donnell & Ewing Drilling Co.
Mr. Alfred Morgan, Yuma, Arizona

Meeting called to order at 9:30 a.m. by Chairman Owens.

Mr. Bilby moved that the minutes of the meeting of April 24, 1968 be corrected to show that the meeting was held in Yuma, Arizona and be approved as so corrected. Mr. Bentson seconded; motion passed.

Executive Secretary's report and Geologist's report were received.

Meeting adjourned at 10:00 a.m. to immediately enter into hearing of Case 30, to be followed by Case 31.

APPROVED June 19, 1968

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

June 12, 1968

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

The May 31st deadline for protest against the proposed helium rule by Bureau of Mines has passed. I have not yet heard if a hearing will be called. To the best of my knowledge, protests were filed by State of Arizona, Navajo Indians, El Paso Products Company, Odessa Natural Gasoline Company, Airco, and others. I will of course keep you advised as there are any developments.

Arizona Helium Corporation advises that the construction of their plant is complete. However, on a recent test another mile of plastic pipe was blown out of the ground. Mr. McDonald advises that Continental Oil Company, manufacturer of the pipe, has agreed that the initial pipe furnished to Arizona Helium was faulty and is assuming the financial responsibility of replacing the entire eight odd-milles of pipe currently in the ground. Mr. McDonald estimates it will take approximately three weeks to get delivery of the new pipe here.

Arizona Helium Corporation has the necessary storage tanks on location. As advised, it is their intent to produce directly into the storage tanks and load all trucks from the storage tanks. In this manner they can give trucks a specific time to arrive for loading and accomplish loading with a minimum of effort. It is anticipated it will take approximately four hours to load one truck.

The Navajo Indians have announced another lease sale to take place July 9, 1968. 70,425.27 acres, all in New Mexico, is being offered.

Apparently leases from the last Navajo sale of February 27, 1968 are now in process of being issued, with the exception of those bid upon by Humble Oil & Refining Company. It is rumored that the Indians are refusing to issue to Humble.

I am attending the IOCC meeting in Mobile, Alabama June 10 thru June 12. Due to the illness of Mrs. Owens, Mr. Owens is not attending. Mike O'Donnell, appointed to the secondary recovery committee by Governor Williams, is likewise attending; this meeting.

Our hearing on the Ferrin-potter-fraser wells is scheduled for the next meeting, June 19, at 10:00 a.m., in our office.

With reference to the C & J Drilling Co. #1 State well, prior to the May 31st deadline I was contacted by Mr. Bill Sargent, who is acting as agent. The information I am about to pass on to you is confidential.

In preparing to plug this well a water sample was taken; it proved to contain commercial quantities of uranium. Arrangements are being made to attempt commercial recovery of this product.

In cooperation with the State Land Department, I have been agreeable to give C & J to June 15 to plug the well up to the water zone. The State Land Department will take the well as a water well. Mr. Sargent then will take commercial leases on this land in order to proceed with the commercial production of this uranium. Consequently, the C & J well was not included in the call for hearing.

After the call for hearing was issued, Mr. Fraser has talked to Mr. Owens and me concerning his well. However, he still could offer no concrete proposal for commencing operations to do something with the hot water zone in this well. He of course has been ordered to appear.

I have further been contacted by Mr. Ferrin on June 5. He advises that he has plugged his #1 Aja Cattle-Babbitt and is proceeding to turn the #1 NMA well into a water well. I advised that should all this work be accomplished and the file brought satisfactorily up to date, it would not be necessary for him to appear. The call has not been rescinded as to him.

Mr. Potter is said to be taking some step bent toward declaring his well a water well. However, the Commission has not been advised of any action.

It appears we should be prepared to hear on the Potter and the Fraser wells. Ferrin is problematical. The hearing should be relatively brief.

It is rumored that Buttes Gas & Oil Co. will drill in the near future in NE SE 23-7N-9W NSM, Apache County. Rumor says further they do have dry hole support and are soliciting drilling bids. We have also heard that Eastern Petroleum Company is planning a deep test in Coconino County, in the Forest, to start sometime around July 1.

The Airco helium plant, near Teec Nos Pos, is now producing from Texaco #1 Z Navajo and our first reports will be coming in shortly.

New permits:

462: El Paso Natural Gas #2B Federal La Posa Strat,
SE SE 10-7N-19W, Yuma County

Mr. Lockhart has just entered good Samaritan Hospital, Phoenix, for treatment and will be unable to attend our June 19 meeting and hearing.

As you may know, Mr. Siler's mother passed away recently. This office ordered flowers (\$11.82) to be presented in the name of the Commission and the staff.

RECEIPTS MONTH OF	CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
May 1968	1 Permit to Drill		125.00	125.00
125.00	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
125.00	TOTAL CURRENT MONTH RECEIPTS		125.00	XXXXXX
XXXXXX	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD			
125.00	TOTALS - MONTH AND YEAR TO DATE		925.00	XXXXXX
			1,050.00	1,050.00

CLAIMS PAID MONTH OF	EXPENDITURES FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
May 1968	1 Personal Services	29,500.00	26,325.00		3,175.00
2,900.00	2 Current Expenditures	7,565.00	4,694.71	2,674.40	2,402.89
715.21	3 Travel-state	5,000.00	3,639.02	541.57	819.41
569.71	4 Travel-out of state	5,500.00	1,813.54		686.46
	5 Capital Outlay				
14.00	6 Current Fixed Charges	540.00	413.91	50.00	76.09
75.00	7 Professional Services	2,000.00	1,687.36		312.64
1,250.00	8 Museum N. Arizona	2,500.00	2,500.00		
	9 Ariz. Bu Mines, UofA	2,500.00	2,500.00		
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5,523.12	TOTALS	52,105.00	43,573.14	842.77	7,688.69

FORM 12-A POST AUDITOR

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

AGENCY

IDENTIFICATION CODE NO.

DIVISION

CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF
			May 1968
3,800.00	110	1 Salaries, wages: employees	2,650.00
1,525.00	150	2 Per diem: board members	250.00
		3	
		4	
373.57	211	5 Postage	
1,419.00	212	6 Telephone, telegraph	117.70
3,639.02	220	7 Travel-state	567.70
1,813.54	230	8 Travel-out of state	
1,687.36	240	9 Professional services	75.00
58.02	262	10 Mntns/repairs to office equip., furnitures	17.50
580.38	294	11 Legal Advt. notary, court, recording fees	160.30
30.91	295	12 Transportation of things (well samples)	
5,028.40	299	13 Miscellaneous (blueprint service, Ariz Bu Mine, Museum N Arizona)	1,200.00
		14	
		15	
		16	
1,065.16	310	17 Office supplies	48.80
495.19	360	18 Scientific supplies: drafting, correlated logs	22.80
1.12	370	19	
372.96	390	20	343.90
		21	
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280.00	411	25 Rent, office equip: copy machine	
21.11	417	26	
		27	
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112.80	430	29 Subscriptions/organizations dues	14.00
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250.00	995	34 To create revolv fund	
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13,573.54		TOTAL	5,523.90

OFFICE AUDIT:

(DO NOT WRITE BELOW THIS LINE) TYPED:

FIELD AUDIT: