

OIL & GAS CONSERVATION COMMISSION
Meeting: August 13, 1969
Mr. John Bannister, Exec. Sec.

John Bannister
Space man
1602 W
John Bannister



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
August 13, 1969
Room 204, Arizona State Office Bldg.

10:00 a.m. Hearing, Case 37 ✓
 A.A.A. Fishing Tool, Inc.

11:00 a.m. Hearing, Case 38 ✓
 Humble Oil Company

1:00 p.m. Call to order

- ✓ 1. Approval of minutes of meeting of July 16, 1969
- ✓ 2. Executive Secretary report
- ✓ 3. Geologist report
- ✓ 4. Old business
- ✓ 5. New business - Budget (S. Lewis - dev. program)
6. Adjourn

IF YOU ARE UNABLE TO ATTEND THIS MEETING, PLEASE NOTIFY THIS OFFICE AS SOON AS POSSIBLE.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1624 WEST ADAMS
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August 6, 1969

Memo: Commissioners
From: John Bannister
Re: Report of Activity

As you are aware, we will have two hearings prior to the Commission meeting. The first hearing is the application of A.A.A. Fishing Tool, Inc., for an unorthodox location in the East Boundary Buttes field. Humble Oil Company will oppose A.A.A. Fishing Tool's proposal. At 11:00 a.m. we will hear Humble's request for spacing regulation within the East Boundary Buttes field. It is urged that no decision be reached until after both hearings have been completed and we can consider both cases in the light of all evidence. Of course, evidence entered in one case cannot technically be used in the other case.

I would mention that I talked with the Attorney General's Office (John McGowan) about the possibility of combining the cases into one hearing inasmuch as they are concerning themselves with the same problem, however he advised that they be kept separate and I have acted upon his instructions.

The regular meeting of the Commission will follow the two above hearings, probably after lunch. At that time it will be necessary to discuss in some detail the budget which we must submit for the Year 1970-71, particularly in view of the fact that there is some consideration being given to what role this Commission should play in encouraging exploration and development of this State. I am submitting herewith the proposed budget of this Commission, which does not take into consideration any additional personnel or additional activities.

I recently visited the Sedona area inasmuch as there has been some discontent in that the rig from the Hopkins-Jordan location (residential area of Sedona) has not as yet been removed. It is my understanding that there is a dispute between Hopkins and O'Donnell-Ewing Drilling Company as to whose responsibility

it is to remove this rig and I further understand that Hopkins is experiencing some financial difficulties. He has indicated his desire to drill additional wells in the area but has not as yet apparently secured adequate financing for further work.

I spoke at length with Mr. Walter Jordan, owner of the land upon which the rig is now located and found him most discontent with the operation in its present state, however, when I explained to him the Commission's bond and purpose therefor, his feeling was greatly alleviated and I believe this problem will be amicably worked out.

I further visited the Harris well in Mohave County. We have had some difficulty in securing reports of this operation. When I visited the well I found it is a three-man operation with drilling actually conducted twelve hours per day by the same workmen. As the site is quite remote, Glade Stubbs (the driller) has some difficulty reaching a telephone, however prior to my arrival at the well reports had been forwarded to the Commission concerning the operation. I expressed in detail the Commission's requirements and authority and I feel that our trouble will be minimal from now on.

New Permits:

Globe Minerals #E-4 Navajo, NE/4 NW/4, 9-41N-28E, Apache County.

Gulf #1 Navajo 2310, SE/4 NW/4, 21-29N-24E, Apache County.

TENTATIVE PROPOSED BUDGET
1970-71
OIL & GAS CONSERVATION COMMISSION

SALARIES	\$56,550
PROFESSIONAL SERVICES	2,500
TRAVEL - STATE	6,500
TRAVEL - OUT OF STATE	5,000
CURRENT FIXED CHARGES	750
CURRENT EXPENDITURES	6,000
CAPITAL OUTLAY	3,600 - <i>car type</i>
MUSEUM NORTHERN ARIZONA	2,500
BUREAU OF MINES	<u>2,500</u>
TOTAL	\$85,900



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STATE OF ARIZONA
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1524 WEST ADAMS
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August 6, 1969

GEOLOGIST'S REPORT

FROM: JAMES SCURLOCK
TO : COMMISSIONERS

APACHE COUNTY

Consolidated Oil & Gas #1 Navajo
T41N, R28E, G & SRM
Sec. 2: SW/4 SW/4 East Boundary Butte Field
Permit #481

Total depth 5900'. Well completed 7-6-69. Pumped 16 barrels of oil plus 83 barrels of water plus 27.5 MCF of gas on 24-hour test. Gravity 39.0°. Gas-Oil Ratio 1,720 cubic feet of gas per barrel of oil. Producing horizon in the lower Paradox formation of the Pennsylvanian System. Producing interval 5224 - 5228'. Water is being disposed of by injection into the Akah formation: perforations 4897 - 4909'.

Consolidated Oil & Gas #2 Navajo
T41N, R28E, G & SRM
Sec. 3: NE/4 SE/4 East Boundary Butte Field
Permit #488

Still a waiting location.

Globe Minerals #1 Navajo 10022
T41N, R28E, G & SRM
Sec. 5: SE/4 SE/4
Permit #508

Well has been drilled to a total depth of 5700'. Plugged and abandoned 7-21-69.

Formation tops:

	Surface
Bluff	10'
Summerville	157'
Entrada	224'
Carmel	318'
Navajo	518'
Kayenta	532'
Wingate	

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Geologist's Report
August 6, 1969

APACHE COUNTY (Cont.)

Globe Minerals #1 Navajo 10022 (Cont.)

Formation tops: (Cont.)

Chinle	1087'
Shinarump	2143'
De Chelly	2239'
Cutler-Organ Rock	2499'
Cutler-Lower Member	3259'
Hermosa	4314'
Ismay	5108'
Desert Creek	5302'
Akah	5499'
Total depth	5700'

Globe Minerals #E-4 Navajo

T41N, R28E, G & SRM

Sec. 9: NE/4 NW/4

Permit #509

Contractor is Mesa Driller. Spud date 7-22-69. Currently drilling at 5050'. Set 8-5/8" casing at 339 KB with 175 sacks of Class A cement. (Cement circulated.) Now drilling a size 7-7/8" hole with 9.1 weight mud; viscosity 34 - 36.

Geologist on well is Don Mitchell.

Sample tops:

Shinarump	2200'
De Chelly	2290'
Organ Rock	2554'
Hermosa	4125'
Ismay	4100'
Desert Creek	4870'

Proposed depth is 5600'.

Monsanto #1 Navajo 717

T39N, R29E, G & SRM

Sec. 1: SE/4 SE/4

Permit #503

Contractor is Cactus Drilling Corporation. Spud date 7-11-69. Currently drilling at 1610'. Mud weight 8.7; viscosity 32. The well location offers singular scenic beauty in that one can see the whole Four Corners area on the western flank of the Carrizo Mountains. Elevation is 8900'.

FROM

They have had a lot of hard drilling through the volcanics; in fact, already drilling on bit number 23. Monsanto is

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August 6, 1969

APACHE COUNTY (Cont.)

Monsanto #1 Navajo 717 (Cont.)
displaying a lot of "guts" to drill this well; but, they have been a company who in the past have been wont to think of themselves as scientifically minded and willing to drill risky and expensive prospects. I personally take my hat off to them for trying this one.

Gulf #1 Navajo 2310 (CZ)
T29N, R24E, G & SRM
Sec. 21: SE/4 NW/4 "TIGHT HOLE"
Permit #510
Spud date 8-3-69. Contactor is Circle A Drilling Company. They have drilled a 12-1/2" hole to a depth of 346' and are preparing to run surface casing. Proposed depth is 4000'. Well is located 22 miles southwest of Chinle.

Kerr-McGee #11 Navajo 8832
T36N, R30E, G & SRM
Sec. 32: NW/4 SE/4
Permit #506
Drilled by Loffland Brothers. Spud date 7-8-69. Set 7" casing at 2831' and drilled in with cable tools. Fracked with 40,000 pounds of sand and 1,700 gallons of oil. Have been swabbing for a number of days now but have recovered a very disappointing amount of oil; in fact, they have yet to recover frack oil. Currently installing a large beam pump.
Kerr-McGee has stubbed their toe here. A bad piece of luck when we consider that the #2, 3, and 4 wells have produced well over a million barrels of oil and the #1 well has produced almost one-half million barrels of oil. The thinking now is that Kerr-McGee will be lucky to make a small producer out of this well on which they had staked such high hopes.

Gulf #1 Navajo 2290
T37N, R30E, G & SRM
Sec. 34: NE/4 NE/4 "TIGHT HOLE"
Permit #507
Spud date 7-1-69. Contractor is Circle A Drilling. Located 3 miles southwest of Red Rock. Set 8-5/8" casing

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Geologist's Report
August 6, 1969

APACHE COUNTY (Cont.)

Gulf #1 Navajo 2290 (Cont.)
at 341' with 200 sacks. Total depth is 4600'. No indication of commercial production. Plugged and abandoned 7-29-69.

Formation tops:

Formation	Surface
Chinle	
De Chelly	1083'
Organ Rock	1680'
Cutler	2150'
Hermosa	2907'
Barker Creek	3615'
Molas	3833'
Mississippian Limestone	3930'
Elbert	4120'
McCracken	4322'
Anneth	4422'
Tapeats	4533'
Granite Wash	4582'
Total Depth	4600'

Thoureen #1 Santa Fe
T21N, R26E, G & SRM
Sec. 27: NE/4 SW/4
Permit #504

"TIGHT HOLE"

Total depth 1217' in Coconino. We have been unable to reach these people. No one was at the location yesterday when I came by. Understand from the grapevine that they have set casing and will try for a completion. Presumably this means that they have found a show of helium. This may be a winner.
The geologist on this well is Mr. Bob Lauth of Durango. Currently staying at the motel in Navajo. We are trying to reach him.

Odessa #1 Navajo 8898
T35N, R30E, G & SRM
Sec. 10: SW/4 NW/4
Permit #501

Spud date 6-27-69. Contractor is Loffland Brothers.
Total depth is 4978'. Plugged and abandoned 7-18-69.
No shows of oil, gas or helium encountered.

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Geologist's Report
August 6, 1969

APACHE COUNTY (Cont.)

Odessa #1 Navajo 8898 (Cont.)

Formation tops:

	Surface
Chuska	
Chinle	1531'
DeChelly	1956'
Cutler	2720'
Hermosa	3845'
Molas	4466'
Mississippian	4576'
Elbert	4760'
McCracken	4912'

MOHAVE COUNTY

Harris #1 Federal 2758A
T38N, R7W, G & SRM
Sec. 29: NW/4 NE/4
Permit #502

Contractors are Ed Burdge and Glade Stubbs, Virgin, Utah.
Spud date 7-5-69. Set 14" casing at 65' with 50 sacks.
Drilling with cable tool rig. Currently drilling at 182'
in the Toroweap formation. Proposed depth 3000'.

YAVAPAI COUNTY

Hopkins #34-1Y Federal
T18N, R5E, G & SRM
Sec. 34: SW/4 NW/4
Permit #482

"TIGHT HOLE"

Well continues to pump approximately 50 barrels of fresh
water per day.

Riddle #3-A Federal
T17N, R4E, G & SRM
Sec. 3: NE/4 NE/4
Permit #485

No new developments on this old hole. Presumably the
operator is still planning to move in rotary rig to work
over the well when he has raised the sufficient capital.

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Geologist's Report
August 6, 1969

SCUTTLEBUTT:

According to the grapevine we are about to have our first wildcat venture in Gila County. Mr. E. K. Kerber, Phoenix, Arizona, is reported to be preparing to drill a 3500' Devonian test in Section 5, T4N, R13E. Contractor will be Tanner Drilling Company of Miami. This well to be located 5 miles northeast of Tonto National Monument and about 3 miles north of Roosevelt Lake.

MONTHLY FINANCIAL REPORT

RECEIPTS MONTH OF	CLASSIFICATION	RECEIPTS	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
June 1969	1 Permits to drill			175 00	1,025 00
175 00	2				
	3				
	4				
	5				
	6				
	7				
	8				
	9				
	10				
	11				
	12				
	13				
	14				
	15				
	16				
	17				
175 00	TOTAL CURRENT MONTH RECEIPTS			175 00	XXXXXX
	TRANSFERS IN <i>Out</i>			(1,862 50)	
XXXXXX	BALANCES BROUGHT FORWARD			5,457 75	XXXXXX
	TOTALS - MONTH AND YEAR TO DATE			3,770 25	1,075 00

CLAIMS PAID MONTH OF	FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE REVERT
June (Final) 1969	1 Personal Services:				
1,862 50	2 General Fund	36,350 00	36,063 76		286 24
1,862 50	3 Conservation Fund	9,000 00	8,750 00		250 00
714 98	4 Current Expenditures	6,015 00	5,249 84		765 16
808 03	5 Travel - State	5,545 00	4,841 96		703 04
498 68	6 Travel - Out of State	3,248 00	2,139 42		1,108 58
281 19	7 Current Fixed Charges	525 00	404 34		120 66
468 72	8 Professional Services	2,000 00	1,339 34		660 66
-	9 Capital Outlay	582 00	517 92		64 08
625 00	10 Museum N. Arizona	2,500 00	2,500 00		-
-	11 Arizona Bureau Mines	2,500 00	2,500 00		-
	12				
	13				
	14				
	15				
	16				
	17				
	18				
	19				
	20				
	21				
	22				
	23				
	24				
	25				
	26				
	27				
	28				
	29				
	30				
7,121 60	TOTALS	68,265 00	64,306 58		3,958 42

Reverted
5,798 96

AGENCY Oil & Gas Conservation Commission

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

1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF
<i>FY 1968-69</i>			<i>June 1969</i>
43,438.76	110	1 Salaries, wages: employees	1
1,375.00	150	2 Per diem: board members	2
			3
583.58	211	4 Postage	4
1,626.21	212	5 Telephone, telegraph	5
1,915.55	221	6 Travel -State meals and lodging	6
827.23	222	7 mileage reimbursed private car	7
1,174.8	223	8 fares for planes, trains, etc.	8
1,887.45	224	9 State-owned auto expense	9
29.25	225	10 telephone, taxi, etc.	10
65.00	226	11 registration fees at meetings	11
			12
			13
513.11	231	14 Travel-out of State meals and lodging	14
1,387.50	233	15 fares for plane, train	15
7.50	234	16 State-owned auto expense	16
162.81	235	17 telephone, taxi, etc.	17
68.50	236	18 registration - meetings	18
			19
1,339.34	240	20 Professional services	20
			21
87.26	262	22 Mntns/repairs to office equip., furniture	22
440.91	294	23 Legal advt., notary, court, recording fees	23
103.45	295	24 Transportation of things (well samples)	24
5,096.40	299	25 Miscellaneous (blueprint service, Ariz Bu	25
		26 Mines, Museum N. Arizona)	26
			27
			28
1,329.64	310	29 Office supplies	29
711.47	360	30 Scientific supplies	30
3.06	370	31 Mntns supplies (duplicate keys)	31
264.76	390	32 Other supplies (film)	32
3.10	322	33 Janitor Supplies	33
			34
280.00	411	35 Rent, office equip: copy machine	35
			36
14.50	421	37 Bond (notary public)	37
109.84	430	38 Subscription/organization dues	38
			39
			40
517.92	611	41 Office equipment/furniture	41
			42
			43
			44
			45
	995	46 To create revolv fund	46
			47
			48
			49
			50
			51
			52
			53
			54
			55
64,306.58		TOTAL	7,121.60

MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF	2 CLASSIFICATION	3 RECEIPTS	4 APPROPRIATED RECEIPTS	5 UNAPPROPRIATED RECEIPTS	6 TOTAL ALL RECEIPTS YEAR TO DATE
July 1969	1 Permits to drill			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
	TRANSFERS In <i>Out</i>			(125 00)	
XXXXXX	BALANCES BROUGHT FORWARD			3,770 25	XXXXXX
	TOTALS - MONTH AND YEAR TO DATE			3,720 25	125 00

6 CLAIMS PAID MONTH OF	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
July 1969	1 Personal Services:				
3,850 00	2 General Fund	11,432 00	3,850 00		7,582 00
175 00	3 Conservation Fund	3,750 00	175 00	-	575 00
380 81	4 Current Expenditures	1,503 25	380 81	568 19	554 25
245 11	5 Travel - State	6,090 00	245 11	1,904 89	3,940 00
-	6 Travel - Out of State	3,496 00	-	-	3,496 00
-	7 Current Fixed Charges	500 00	-	22 00	478 00
-	8 Professional Services	2,000 00	-	-	2,000 00
480 17	9 Capital Outlay	2,150 00	480 17	-	1,669 83
-	10 Museum N. Arizona	625 00	-	625 00	-
625 00	11 Arizona Bureau Mines	625 00	625 00	-	-
	12				
	13				
	14				
	15				
	16				
	17				
	18				
	19				
	20				
	21				
	22				
	23				
	24				
	25				
	26				
	27				
	28				
	29				
	30				
5,756 09	TOTALS	29,171 25	5,756 09	3,120 08	20,295 08

FORM 12-A POST AUDITOR

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

AGENCY Oil & Gas Conservation Commission

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

DIVISION _____

1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF <i>July</i> 1969
3,850.00	110	1 Salaries, wages: employees	3,850.00
175.00	150	2 Per diem: board members	175.00
		3	
	211	4 Postage	
130.81	212	5 Telephone, telegraph	130.81
99.31	221	6 Travel -State meals and lodging	99.31
144.40	222	7 mileage reimbursed private car	144.40
	223	8 fares for planes, trains, etc.	
	224	9 State-owned auto expense	
1.40	225	10 telephone, taxi, etc.	1.40
	226	11 registration fees at meetings	
		12	
		13	
	231	14 Travel-out of State meals and lodging	
	233	15 fares for plane, train	
	234	16 State-owned auto expense	
	235	17 telephone, taxi, etc.	
	236	18 registration - meetings	
		19	
	240	20 Professional services	
		21	
	262	22 Mntns/repairs to office equip., furniture	
	294	23 Legal advt., notary, court, recording fees	
	295	24 Transportation of things (well samples)	
625.00	299	25 Miscellaneous (blueprint service, Ariz Bu Mines, Museum N. Arizona)	625.00
		26	
		27	
		28	
	310	29 Office supplies	
	360	30 Scientific supplies	
	370	31 Mntns supplies (duplicate keys)	
	390	32 Other supplies (film)	
	322	33 Janitor Supplies	
		34	
	411	35 Rent, office equip: copy machine	
		36	
	421	37 Bond (notary public)	
	430	38 Subscription/organization dues	
		39	
		40	
480.17	611	41 Office equipment/furniture	480.17
		42	
		43	
		44	
		45	
250.00	995	46 To create revolv fund	250.00
		47	
		48	
		49	
		50	
		51	
		52	
		53	
		54	
		55	
5,756.09		TOTAL	5,756.09