

OIL & GAS CONSERVATION COMMISSION
Meeting: July 15, 1970
Mr. John Bannister, Exec. Sec.



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
 July 15, 1970
 Museum of Northern Arizona
 Research Center
 Pearson Seminar Hall
 Fort Valley Road
 Flagstaff, Arizona

10:00 a.m.

Hearing, Case No. 42

Immediately following hearing

Call to order

- ✓ 1. Approval of Minutes of meeting of June 17, 1970
- ✓ 2. Executive Secretary report
- ✓ 3. Geologist report
4. Old business
5. New business
6. Adjourn

✓ *Bill Allen*
Expansion of Staff ✓
New Assignments etc ✓
Bldg ✓
U of A - Geo. Dept ✓
(Class)

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

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
COMMISSION OF THE STATE OF ARIZONA
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 42

ORDER NO. 41

THE ESTABLISHMENT OF A POOL FOR THE
DEVELOPMENT OF HELIUM GAS FROM THE
SHINARUMP FORMATION AND FOR THE
ESTABLISHMENT OF FIELD RULES FOR
SAID POOL

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause was considered at 10:00 a.m. on July 15, 1970 at Flagstaff, Arizona, by the OIL AND GAS CONSERVATION COMMISSION of the STATE OF ARIZONA, hereinafter referred to as the COMMISSION.

The COMMISSION, a quorum being present, having considered the facts presented and being fully advised in the premises, finds as follows:

FINDINGS

- (1) THAT the COMMISSION has jurisdiction of the subject matter thereof.
- (2) THAT geological evidence indicates that there is a common reservoir of helium gas underlying the below-described area, which helium gas reservoir should be declared to be a pool.
- (3) THAT the vertical limits of said pool should be the Shinarump Formation, which is generally located at an approximate depth of 1250 feet in this area.
- (4) THAT geological evidence indicates that the horizontal limits

of said pool should be as follows: Township 20 North, Range 27 East, all of Sections 24, 25 and 36; Township 19 North, Range 27 East, Section 1; Township 20 North, Range 28 East, Sections 19, 29, 30, 31 and 32; Township 19 North, Range 28 East, all of Sections 5 and 6.

(5) THAT field rules should be established for this pool which set forth the name and establishing the vertical and horizontal limits of said pool; that provide for an orderly expansion of same; that provide for spacing of the pool so that initially one well may be drilled on each section but providing that should the information gained from drilling the initial well on each section indicate that additional wells should be drilled in order to provide for adequate drainage as many as three additional wells could be drilled, but that in no event should any wells within a section be located closer than 660 feet to any other well; and further providing that any well within this pool must be located not less than 660 feet from any boundary line of a section contained in the pool; and further providing that the standard rules and regulations of the COMMISSION shall govern all other activities in connection with operations for helium gas within said pool.

(6) THAT said pool should be named EAST NAVAJO SPRINGS SHINARUMP POOL.

(7) THAT COMMISSION ORDER NO. 34 in CASE NO. 33, wherein Section 25, Township 20 North, Range 27 East, Apache County, was spaced for 160 acres from the surface through the Coconino Sandstone, should be vacated.

IT IS THEREFORE ORDERED:

(1) THAT there is established a helium gas pool, which pool shall be named EAST NAVAJO SPRINGS SHINARUMP POOL.

(2) THAT the vertical limits of said pool shall be the Shinarump

formation, generally located at an approximate depth of 1250 feet.

(3) THAT the horizontal limits of said pool shall be as follows: Township 20 North, Range 27 East, all of Sections 24, 25 and 36; Township 19 North, Range 27 East, Section 1; Township 20 North, Range 28 East, Sections 19, 29, 30, 31 and 32; Township 19 North, Range 28 East, all of Sections 5 and 6.

FIELD RULES

(4) THAT the East Navajo Springs Shinarump Pool may be administratively expanded upon determination by drilling that a contiguous section to those above described is underlain by the common accumulation of helium gas described in Paragraph 2 above and upon presentation to the Executive Secretary of the Commission of evidence as to the discovery of helium gas in the said Shinarump formation.

The Executive Secretary shall give written notice to all owners of working interest in the East Navajo Springs Shinarump Pool of the intended expansion of said pool and said written notice shall allow fifteen (15) days from the date thereof in which to object to the inclusion of said section within the pool. If no objection is received within the time allowed, the Executive Secretary will issue the COMMISSION'S order including the contiguous section within the pool. If any written objection is received within the time allowed, the contiguous section in question shall not be automatically included but the matter of its inclusion shall be heard at the next meeting of the COMMISSION following the registering of said objection.

If a hearing before the COMMISSION is necessary, the Executive Secretary will give notice of the hearing of such objection as required by law and the rules and regulations of the COMMISSION.

(5) THAT the East Navajo Springs Shinarump Pool is hereby spaced so that one well may be drilled on each governmental section, said well to be located not less than 660 feet from any boundary line of the section provided, however, that in the event an operator finds that in order to avoid waste it is necessary to drill additional wells within the same section, he may drill as many as three additional wells in the section, provided that no more than one well shall be located in each quarter section of such governmental section, and provided that no well may be located closer than 660 feet to any other well in the section.

(6) THAT the standard rules and regulations of the COMMISSION shall govern all other activities in connection with operations or for helium gas within the above described area.

(7) COMMISSION's Order No. 34 in Case No. 33, granting Crest Oil Company 160 acre spacing for wells drilled from the surface through the Coconino Sandstone in Section 25, Township 20 North, Range 27 East, is hereby vacated and ordered to be of no further force and effect.

DONE at Flagstaff, Arizona, on the day and year hereinabove designated.

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

(S E A L)

By _____ (Original signed)
Ralph W. Bilby, Chairman

ATTEST:

(Original signed)

John Bannister
Executive Secretary

June 16, 1970

Dr. Edward B. Danson
Museum of Northern Arizona
P.O. Box 1389
Flagstaff, Arizona 86001

Dear Dr. Danson:

Pursuant to my discussion with you on Friday, June 12, 1970,
this Commission wishes to advise you as follows:

1. As soon as the Commission is able, it will remove its samples from your repository in Flagstaff for handling by the Commission in Phoenix. Consequently, financial assistance to the Museum of Northern Arizona by this Commission will cease as of June 30, 1970.
2. The Museum of Northern Arizona has agreed to release to this Commission all of the well samples now in its possession. This Commission does recognize that many of the samples now held by the Museum were collected prior to inception of this Commission and that transfer of these samples to us will represent a donation from the Museum of Northern Arizona to the State of Arizona.
3. This Commission assures the Museum of Northern Arizona that it will give such publicity as is possible to the early history of the Museum's sample collection and as to its donation to this Commission and the State of Arizona.
4. This Commission wishes to assure the Museum of Northern Arizona should it, at any time, abandon the samples collected by the Museum of Northern Arizona and such other samples as may be collected by the Commission, all effort will be made to place the original sample collection back in the hands of the Museum of Northern Arizona and the total collection to the Museum of Northern Arizona and the Bureau of Mines, University of Arizona.
5. The Commission also wishes to assure the Museum of Northern Arizona that all sample logs and/or catalog cards made for

Dr. Edward B. Danson
Museum of N. Ariz.
6-16-70
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use of the Commission will be copied and forwarded to the Museum of Northern Arizona for such use as it may wish to make of same.

6. The Commission wishes to assure the Museum of Northern Arizona that prior to any attempt to remove the samples from your possession, this Commission will give you ample notice and work out such time schedule as will be convenient to the Museum of Northern Arizona and its personnel. We, of course, will make every effort to see that the samples are protected during the move.
7. Unless you are notified to the contrary, the Commission will meet in Flagstaff at a place designated by the Museum of Northern Arizona on July 15, 1970, at a time to be mutually agreed upon. The purpose of this meeting will be to conduct such regular Commission business as will come before us, as well as to answer any questions or handle any problems which may result from the movement of samples from the Museum.

This Commission understands that it will be necessary to secure the approval of your Board of Trustees for the removal of these samples and, of course, will assure you of our cooperation in this project.

We would like to express our appreciation for the cooperation you have given us in the past and which we feel certain will be ours in the future.

Sincerely,

John Gannister
Executive Secretary

JB/vb

cc - Mr. Bill Breed
Curator of Geology



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

May 8, 1970

Memo: Commissioners
From: John Bannister

Re: Report of Activity

The Flagstaff meeting has been set. Through the cooperation of Mr. Bledsoe, reservations have been made at the Holiday Inn in Flagstaff. Mr. Bledsoe will advise us at a later date as to where our Tuesday night dinner will take place.

As to Case No. 42, the Commission's motion to establish a pool near the Pinta Dome area, I have furnished Eastern Petroleum, Kerr-McGee and Crest with a suggested copy of field rules and have given them until July 10th for comments. I have advised that if the rules are acceptable we will issue the order immediately following the hearing, however, should the rules not be acceptable, I have further advised it will be necessary to appear before the Commission in Flagstaff at the time and date set forth in the hearing notice. Mr. Bledsoe is also cooperating in securing a court reporter for our hearing there. I do not anticipate a lengthy hearing in this matter.

I am pleased to announce that Mr. W. E. "Bill" Allen has joined our staff. Mr. Allen has had a world of drilling experience with Conoco throughout the Rocky Mountain area. As you know, this Commission will begin its own geologic study of the State. In view of Mr. Allen's experience and the new work in which Mr. Scurlock will be involved, I have somewhat reorganized the structure of the Commission in that I have (1) given Mr. Allen the title "Director, Enforcement Section". He will be directly responsible for the enforcement of the rules and regulations as well as the maintenance of our files, reports, etc. (2) I have made Mr. Scurlock "Director, Geology Section", with the responsibility of developing geological oil & gas studies of the State, together with the responsibility of securing, storing and utilizing the Commission's samples. Much thought has been given to this reorganization and I feel that in this manner we will utilize to the fullest the knowledge, skills and abilities of the Commission's personnel.

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Executive Secretary Report
July 8, 1970

At our last meeting Mr. Bentson, Mr. Owens and I were appointed a committee to select the site for our new office. I would like to report that the committee diligently worked and has reviewed many building sites around town. It has been the conclusion of the committee that the most suitable location, considering money, personnel, parking, etc., is the building we all viewed at 4115 North Seventh Avenue. Consequently, the committee has authorized me and I have issued a letter of commitment to O'Malley Investment and Realty Company to lease this building under the numerous stipulated conditions contained therein. A copy of this letter is attached for your information. Mr. Wakeham, the gentleman who showed us the building, has been working quite closely with me. Of course, it will be necessary that the building be remodeled and the upstairs completed prior to occupancy. I do not know at this time what the building strike in this area will cause in the way of delay in our occupancy, however I am assured it will be kept to the minimal possible. I will keep you advised as work progresses. Of course, once the lease is drawn up it must be approved by the Planning Division of the Finance Commission and by the Attorney General.

Some of the buildings which we looked at could not be occupied by us due to our one year limitation, however I feel that the building selected will most admirably suit our needs and allow for a natural division of our functions, that is, with the enforcement section and myself on the ground floor, where the hearing room will be located, and Mr. Scurlock and the geology division on the upper floor.

This Commission has been allowed two additional cars in the current fiscal year. Inasmuch as the State is faced with an increased vehicle cost, purchase of vehicles for the year 1970-71 has been pushed to the utmost. Since the Commission will now be housed outside the Capitol area and in view of the fact that we will have additional personnel who may also need transportation, I have secured permission to retain our 1965 Dodge. This car will be kept at our new location for use as transportation to and from the Capitol as well as field duties when necessary. Currently, a specific car has been assigned to me, Mr. Scurlock and Mr. Allen. The fourth car will be assigned to the office and be released out only on my authority.

I am most pleased to report that Mr. Scurlock and I recently visited the Geology Department of the University of Arizona. Dr. Edgar Mc Cullough, the new acting head of the department, and Dr. Jerry Wright showed us through the entire Geology Department. Both of us were amazed at the capabilities possible in the department. They have accumulated much expensive and excellent equipment, primarily by taking advantage of Federal funds for this purpose. Dr. Mc Cullough and Dr. Wright were both most cooperative and indicated an active and enduring interest in Commission affairs. They have

specifically set aside money in their budget for a member to attend Commission meetings on a regular basis and such other helpful functions as the department may feel of benefit for the Commission. They indicated that Dr. Wright will probably act as liaison with us. I have written a formal letter inviting the appointment of such a member and requesting his name so that we may keep him abreast of the Commission's actions. Dr. Wright, if selected, will officially perform functions that Dr. Pye did for this Commission unofficially. Jim and I were extremely pleased with the interest and cooperation and general attitude of this department. I believe a genuine breakthrough has been made at last.

I would also like to mention that Dean Forrester has resigned as head of the School of Mines, effective August 1st. He will take a position with Phelps Dodge as Director of Environmental Research.

The Commission is now attempting to hire one geologist, one stratigrapher and a new secretary, as authorized by our 1970-71 budget. It is the desire of both Mr. Scurlock and myself that the most highly qualified people be secured for these positions and we both feel it is important that ample time be allowed to screen applicants. Consequently, it may be some time before these positions are actually filled, however I feel it will be greatly to our advantage not to rush in to hire these employees.

This Commission was recently allowed additional money for salaries. This additional money was allocated by the Legislature to cover cost of living increases. I have no explanation as to why but the allowance to the Commission just barely fulfills its needs. Our personnel money will be quite tight, however I feel we are relatively safe inasmuch as it will be some little time before the new personnel will come in and the salaries saved thereby will greatly ease our personnel funds.

I would like to take this opportunity, on behalf of myself and the other Commission employees, to express our appreciation for the salary increases which have been granted to us.

New Permits:

- | | |
|---|---|
| Permit 539 - Pending) | Tenney's application, about which Mr. Schooler spoke to us at our last meeting. |
| Permit 540 - Pending) | |
| Permit 541 - Pending) | |
| Permit 542 - El Paso Natural Gas Co. #1 Red Lake Federal 4575, SW/4 SW/4 12-26N-16W, Mohave County. | |
| Permit 543 - Eastern Petroleum Company #1-26 Santa Fe Fee, SW/4 SW/4 26-20N-27E, Apache County. | |



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

ROOM 202

1624 WEST ADAMS

Phoenix, Arizona 85007

PHONE: 271-5161

July 7, 1970

GEOLOGIST'S REPORT

FROM: JAMES SCURLOCK
TO : COMMISSIONERS

APACHE COUNTY

Little #1 Aircodessa Navajo
T37N, R28E, G & SRM
Sec. 32: NW/4 NE/4
Permit #538

Spud 6-11-70. Ground elevation 6192'.

Formation tops:

De Chelly	1288'
Hermosa	3029'
Barker Creek Reef	3655'
Molas	3854'
Mississippian	3926'
Total Depth	3949'

DST #1 3645-3675 - Recovered 1230' of salt water. No show of oil.

Core #1 3644-3675 - Recovered 37' of limestone; slight odor and scattered oil stain in interval 3656-3657 $\frac{1}{2}$ '.

Plugged and abandoned 6-24-70.

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

"TIGHT HOLE"

Total depth 1237'. Ground elevation 5869'. Top of Coconino 1210'. Twenty-seven inch casing was set at 31 $\frac{1}{2}$ ' with 6 sacks. Set 4 $\frac{1}{2}$ " casing at 1226' with 75 sacks. Well has been temporarily abandoned since December 1, 1969. The operator expects to plug within 30 to 60 days.

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Geologist's Report
July 7, 1970

Eastern #1 Navajo (2601)
T20N, R28E, G & SRM
Sec. 30: NE/4 SW/4
Permit #523

Location. Extension of permit has been granted. If well is not commenced by July 17, 1970, the permit will expire.

Eastern #24 Santa Fe Fee
T20N, R27E, G & SRM
Sec. 24: SE/4 NW/4
Permit #536

Located 7 miles east of Navajo. Operator plans to re-enter the old hole to attempt Shinarump completion. Probably will frac.

Original well was drilled to a total depth of 1340'. Ground elevation 5792'. Plugged and abandoned 7-2-64.

Eastern #21-1A Santa Fe Fee
T20N, R28E, G & SRM
Sec. 31: NW/4 NW/4
Permit #537

Location. Located 7 miles southeast of Navajo.

Eastern Petroleum Company #1-26 Santa Fe Fee
T20N, R27E, G & SRM
Sec. 26: SE/4 SW/4
Permit #543

Location. Ground elevation 5764'. Well will be drilled by Eastern Petroleum Company rig (rotary). Located approximately 7 miles southeast of Navajo.

MOHAVE COUNTY

Harris #1 Federal 3758A
T38N, R7W, G & SRM
Sec. 29: NW/4 NE/4
Permit #502

Total depth 1010'. Well is temporarily abandoned. Operator is preparing to plug. Presently working out plugging program.

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Geologist's Report
July 7, 1970

El Paso #1 Red Lake Federal Strat 4575
T26N, R16W, G & SRM
Sec. 22: SW/4 SW/4
Permit #542

Spud 7-1-70. Set 12-3/4" casing (OD) at 29' (conductor pipe) with 15 sacks cement.
Drilling currently at 784'.
Expect top of salt about 1500'.
Kerr-McGee has drilled some strat tests in here and cored appreciable thicknesses of salt so that the presence of halite salt here is well established.

YAVAPAI COUNTY

El Paso #1 Federal Strat
T30N, R10W, G & SRM
Sec. 3: SE/4 NE/4
Permit #523 # 533

Total depth 3831'. Set 10-3/4" casing at 27'. Set 7" casing at 2005' with 600 sacks.
This well was drilled on a gravity anomaly with the idea of creating a cavity in the salt for gas storage. Operator was hoping to find salt at a depth of 3000' or less. At this depth it would have been feasible to undertake the creation of this storage cavity by atomic explosion; but, since no salt was encountered, the well was drilled to a depth of 3831' against the possibility of finding a sufficient thickness of salt to dissolve out by conventional water solution methods.
A tentative top of the Tertiary has been placed at 1475' based on a change in lithology. The section below this depth consisted mainly of unconsolidated clastics, mainly sand.

NAVAJO COUNTY

Aritex Development Corporation #1 Fee Strat
T17N, R21W, G & SRM
Sec. 6: NE/4 SE/4
Permit #530

and
Aritex Development Corporation #2 Fee Strat
T17N, R21E, G & SRM
Sec. 6: SE/4 NE/4
Permit #532

Operator is preparing to shut down their injection pump and to conduct hydrostatic tests. Brine will be pumped into the cavity at 180 pounds PSI at the surface. They will try to maintain this pressure for 24 hours in order to ascertain the integrity of the cavern against leakage.

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Geologist's Report
July 7, 1970

Aritex Development Corporation #1 and #2 Fee Strat (Cont.)

The permanent propane injection pump and piping are being installed; and, also the truck unloading facilities are being constructed.

The availability of neighboring property for expansion of the project is still questionable. Some of the titles are under question; and, some of the neighboring property owners are holding out for exorbitant prices for their land.

Aritex Development Corporation #1 Fee Water Well

T17N, R21E, G & SRM

Sec. 6: NE/4 SE/4

Permit #535

Location. Waiting on bond. Permit being processed.

SCUTTLEBUTT:

We understand that PMEX is drilling a new wildcat located approximately six miles west of Juarez in Chihuahua State.

We hear that the Cockrell rig is on new location in 31S, 16W, and is all set up to go; but, operator has not filed as yet with the New Mexico Commission for a drilling permit. They may be delaying in order to have time to work over their seismic records in light of the new stratigraphic information provided by their last well seven miles to the north. Understand that Jones Drilling Company of Houston is planning a wildcat which will be located in the valley south of Hachita.

We hear rumors that a gravity crew is working in southwest Pinal County. Understand some fee leasing is going on in this area.

are

There // rumors that two seismic trucks (thumpers) are working in Cochise County in the San Simon Valley.

AGENCY Oil & Gas Conservation Commission

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

1	2	3		
CLAIMS PAID YEAR TO DATE (7-8-70)	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION		(Partial) CLAIMS PAID MONTH OF <i>June 1970</i>
41,905.56	110	1 Salaries, wages: employees	1	3,367.56
2,450.00	150	2 Per diem: board members	2	300.00
			3	
728.24	211	4 Postage	4	236.00
1,599.98	212	5 Telephone, telegraph	5	137.71
1,960.36	221	6 Travel-State: meals and lodging	6	286.03
1,167.48	222	7 mileage reimbursed private cars	7	122.00
512.70	223	8 fares for planes, trains, etc	8	152.70
1,246.61	224	9 State-owned auto expense	9	203.23
35.60	225	10 telephone, taxi, etc	10	5.40
85.00	226	11 registration fees at meetings	11	-
			12	
			13	
985.61	231	14 Travel-out of State: meals and lodging	14	213.80
1,755.00	233	15 fares for plane, train	15	388.00
7.00	234	16 State-owned auto expense	16	4.50
248.70	235	17 telephone, taxi, etc	17	26.20
143.00	236	18 registration fee at meetings	18	95.00
			19	
1,596.50	240	20 Professional services	20	830.00
			21	
67.20	262	22 Mntns/repairs to office equip., furniture	22	33.60
612.73	294	23 Legal advt., notary, court, recording fees	23	136.04
	295	24 Transportation of things (well samples)	24	
5,002.07	299	25 Miscellaneous (blueprint service, Ariz Bu	25	
		26 Mines, Museum N. Arizona)	26	
			27	
			28	
1,641.38	310	29 Office supplies	29	570.71
656.57	360	30 Scientific supplies	30	99.57
43.61	370	31 Mntns supplies (duplicate keys	31	
130.58	390	32 Other supplies (film	32	23.61
			33	
			34	
367.93	411	35 Rent, office equip: copy machine	35	3.91
			36	
8.50	421	37 Bond (notary public)	37	8.50
100.60	430	38 Subscription/organization dues	38	20.00
			39	
			40	
480.17	611	41 Office equipment/furniture	41	-
			42	
1,896.70	616	43 Auto	43	
			44	
			45	
	995	46 To create revolv fund	46	(250.00)
			47	
			48	
			49	
			50	
			51	
			52	
			53	
			54	
			55	
67,435.38		TOTAL		7,014.07

1 RECEIPTS MONTH OF	2 CLASSIFICATION RECEIPTS	3 APPROPRIATED RECEIPTS	4 UNAPPROPRIATED RECEIPTS	5 TOTAL ALL RECEIPTS YEAR TO DATE
June 1970 150 00	1 Permits to drill		150 00	900 00
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
150 00	TOTAL CURRENT MONTH RECEIPTS		150 00	XXXXXX
XXXXXX	TRANSFERS <i>Out</i>		(300 00)	
	BALANCES BROUGHT FORWARD		2,370 25	XXXXXX
	TOTALS - MONTH AND YEAR TO DATE		2,220 25	900 00

6 CLAIMS PAID MONTH OF	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE (7-8-70)	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
(-Partial) June 1970	1 Personal Services:				
3,367 56	2 General Fund	45,728 00	41,905 56		3,822 44
300 00	3 Conservation Fund	3,000 00	2,450 00		550 00
987 24	4 Current Expenditures	6,015 00	5,509 23	147 69	358 08
769 36	5 Travel - State	6,090 00	5,007 75	230 63	851 62
727 50	6 Travel - Out of State	3,496 00	3,139 31		356 69
32 41	7 Current Fixed Charges	500 00	477 03	20 00	2 97
830 00	8 Professional Services	2,000 00	1,796 50		203 50
-	9 Capital Outlay	2,376 87	2,376 87		-
-	10 Museum N. Arizona	3,500 00	2,500 00		-
-	11 Arizona Bureau Mines	2,500 00	2,500 00		-
	12				
	13				
	14 <i>Trans. of Funds to</i>				
	15 <i>Purchase Auto</i>	(226 87)	(226 87)		
	16				
	17				
	18				
	19				
	20				
	21				
	22				
	23				
	24				
	25				
	26				
	27				
	28				
	29				
	30				
7,014 07	TOTALS	73,979 00	67,435 38	398 32	6,145 30

FOR THE FISCAL YEAR 1968-1969

Total U. S. gasoline and fuel tax	\$3,186,239,000
Lubricating oil tax and Diesel Fuel tax	322,236,000
	<u>\$3,508,475,000</u>
All States (Based on 1968 Government Finance Bulletin GF 68 No. 1)-Corrected GF 69 No. 1	<u>\$5,641,860,000</u>
Total Gasoline and Fuel Tax Collections.....	<u>\$9,150,335,000</u>

BILLIONS COLLECTED AT THE EXPENSE OF THE OIL COMPANIES AND PAID TO THE GOVERNMENT UNITS WITHOUT ANY COST TO THEM.

DIRECT TAXES PAID BY OIL INDUSTRY TO SEVERAL STATES

State	Total Tax Collections	Gasoline & Fuel Tax	Production Tax		
			Oil	Gas & Liquids	Sulphur
Arkansas	\$ 74,273,439	\$ 71,646,656	\$ 2,049,585	\$ 577,198	-
Colorado	61,559,771	60,924,867	634,904*		-
Louisiana	342,291,132	104,882,940	125,459,976	109,107,932	2,840,284
+New Mexico	85,940,790	29,288,000	31,539,469	25,113,321**	-
Oklahoma	131,640,713	85,438,026	34,027,465	12,175,222	-
Texas	519,397,574	274,672,338	156,244,980	84,408,215	4,072,041
Wyoming	16,308,864	16,190,465	118,399*		

*Oil and Gas

**Tax on royalties (oil and gas) - Leases on State Lands administered by Public Lands Commission.

+Fiscal year 1967-68

OKLAHOMA FINANCE AND TAXATION

Comparative collections by the Oklahoma Tax Commission follows:

	Total Collections	Income Tax	Gross Production Tax
Fiscal year 1960-61	\$270,157,491	\$ 34,096,121	\$ 33,683,938
Fiscal year 1961-62	\$289,156,844	\$ 39,049,495	\$ 34,492,139
Fiscal year 1962-63	\$300,248,894	\$ 37,560,290	\$ 36,294,485
Fiscal year 1963-64	\$314,624,260	\$ 38,421,827	\$ 37,383,210
Fiscal year 1964-65	\$331,088,038	\$ 43,987,064	\$ 37,806,838
Fiscal year 1965-66	\$360,205,850	\$ 51,037,125	\$ 40,125,698
Fiscal year 1966-67	\$399,801,506	\$ 63,455,913	\$ 44,990,808
Fiscal year 1967-68	\$439,392,710	\$ 64,633,008	\$ 45,506,269
Fiscal year 1968-69	\$499,011,865	\$ 68,527,366	\$ 46,202,687

When the uninformed claim the oil industry is not paying its fair share of taxes, they entirely overlook the total U. S. gasoline and other direct excise taxes paid by the oil industry each year.

Gasoline and fuel taxes levied on the oil industry were supposed to be used for building highways, but a large part has been diverted to building docks, wharfs, dams, canals, public buildings, furnishing aid to Federal education, payments into Teachers Retirement Funds, so-called Social Security, and many other projects unrelated to highways.

Most people do not realize the oil industry pays the highest annual wage of any comparable endeavor, yet it has held the line on product prices in the face of wage advances of more than three times the level of 20 years ago. Forty years ago, motor gasoline was untaxed and retailed for 25 to 30 cents a gallon. Today, motor gasoline bears an average direct Federal and State tax of 12 cents per gallon. Yet this average gallon of gasoline retails today for about 30 cents a gallon, including the tax of 12 cents. Were it not for this direct tax, the customer would pay 18 cents per gallon today as opposed to 30 cents per gallon 40 years ago. This 12 cents is now going to the Government in the form of taxes levied on the oil industry instead of savings to the consumer.

Gasoline Tax

The gasoline tax, 50 years old this year, brings in \$1 million an hour.

It's been 50 years, the Tax Foundation reminds us, since Oregon enacted the first gasoline tax in the U.S., a levy of one cent a gallon. . . . California has increased its gasoline tax by a penny to eight cents a gallon to raise \$45 million for repairs to public property damaged in last winter's floods and storms.