

OIL & GAS CONSERVATION COMMISSION
Meeting: October 16, 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
October 16, 1970
4515 N. 7th Avenue, Phoenix, Arizona

10:00 a.m.

Hearing, Case No. 43

Immediately
following
hearing

Call to order

1. Approval of minutes of meeting of September 18, 1970
2. Executive Secretary report
3. Enforcement Section activity report
4. Old business
5. New business
6. Adjourn

Tucson meeting
Tucson open house

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

Phoenix, Arizona 85007

PHONE: 271-5161

October 8, 1970

Memo: Commissioners
From: John Bannister

Re: Report of Activity

I have contacted the Department of Geology at the University of Arizona concerning the possibilities of having a program for the Commission at the time of our November meeting. Currently it is planned that this Commission will meet in Tucson on November 19th and 20th. Dr. MacCullough and Dr. Wright of the Geology Department were most enthusiastic about the proposal. I have made arrangements with the Flamingo Motel in Tucson to house us during our stay in Tucson. I anticipate that the Commission will arrive on Wednesday night, November 18th and will depart approximately at noon or shortly thereafter on Friday, November 20th.

A tentative schedule for activities is as follows:

Thursday) Department of Geology: Program commencing
Nov. 19) approximately 9:30 a.m. until 11:30 a.m.

Lunch break.

Department of Geology: Resume program at
approximately 1:30 p.m. until 4:00 p.m.

During the program the University will
present explanation of drilling, completing,
mud programs, etc.

Arrangements will be made for a dutch treat
dinner somewhere in the vicinity around 7 pm.

Friday) There will be a regular Commission meeting
Nov. 20) at the University, with adjournment approxi-
mately noon or as soon as business is finished.

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I would imagine that either Thursday or Friday Dr. Harville, President of the University, will entertain the Commission at luncheon, however that is yet to be fully determined.

Dr. MacCullough and Dr. Wright and their wives will join us at these functions. Inasmuch as there has been expression by some wives that they would care to attend these sessions, the Department of Geology has extended their invitation to include wives during the day programs, consequently I urge each of you to invite your wives to join in the Thursday educational program and, of course, Thursday night dinner.

If this program is successful, we will probably attempt to put a similar program on every two years so that each Commissioner, during his term, will be present for at least two of these schools and thus increase his working knowledge of some of the drilling problems faced by the Commission.

I will be in Tucson earlier in the month of November to make sure all arrangements are made and would appreciate your advise at the October meeting whether or not your wives will attend and the room arrangements you may wish.

I might also report that Friday and Saturday, November 20 and 21, is the big homecoming game in Tucson and should you wish to stay in Tucson during this period, I will need to know as soon as possible so that rooms may be kept. There is a terrific influx of visitors to Tucson during this period and all hotel reservations are quite tight. Should you desire tickets to the football game, also, please advise me at the meeting and I will see about procuring same for you.

Our move into our new headquarters was completed on October 1st (more or less). We have encountered normal problems such as faulty air conditioning, unsatisfactory drapes, etc., etc., but these problems are all being worked out and I hope that prior to our meeting on October 16th the Commission will be pretty well settled down in its new quarters. I feel that the new building is going to lend itself most adequately to our functions and that we will all be pleased with the results of the move.

I am pleased to report that Mr. Ed Koester and Mr. Jack Conley, both prominent geologists, agreed to join the Commission staff. Mr. Koester will come as a geologist and Mr. Conley as our "sample man". Both gentlemen, I think, will have much to contribute to the geology efforts which we will be making.

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Mrs. Roberta Smith has joined the staff and will serve as secretary to the three geologists. She came with high recommendations from the Personnel Commission and will be a fine addition to the staff.

In order to secure necessary new furniture for our office, it has been necessary to request transfer of additional funds from our "Other Operating Expenditures" fund to our "Capital Outlay" fund. This has been accomplished and the necessary minimum of new furniture has been ordered.

We encountered some difficulty in finding suitable shelving for our geology samples, however this has been worked out, but we will encounter some delay in securing and installing necessary shelving. As soon as we are able we will begin to move samples from Flagstaff to the office.

Please note on the agenda that the hearing is set for 10:00 a.m., October 16th, to be immediately followed by regular Commission meeting. I feel that in this manner we may be more able to expedite handling of all Commission business.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

~~XXXXXXXXXX~~ 4515 North 7th Avenue

~~XXXXXXXXXXXX~~

Phoenix, Arizona ~~85007~~ 85013

PHONE: 271-5161

ACTIVITY REPORT

October 8, 1970

From W. E. Allen
Director, Enforcement Section

John Bannister and myself made a trip to Fredonia, Arizona, on September 10, 1970. The primary purpose of this trip was to meet with Eugene Dalton, owner of Arizona Fuel Corporation. This firm operates a small refinery just west of Fredonia. The meeting with Mr. Dalton was necessary in order to explain to him the necessity of filing certain information with this office and the manner that the forms containing the information were to be filled out. At the time our various forms were designed, there was not a refinery operating within the State. Our Form 21, Gasoline Plant or Pressure Maintenance Plant Report, was redesigned to fit this refining operation.

While we were in the area, we inspected the well site of the Harris #1 located in the NW/4 NE/4 Section 29-T38N-R7W, Mohave County, Arizona. This well is approximately thirty-seven miles southwest of Fredonia. We found the well site to be in good condition, the dry hole marker was in place, and from visible evidence the well was plugged in the approved manner.

The writer was invited to attend the monthly luncheon held September 27, 1970, of the Petroleum Development Association of Arizona and to discuss the enforcement policies and procedures of the Commission.

Southwest Salt Company apparently is getting ready to drill another well on their location west of Glendale. Mr. John Savoy has requested that an Application for Permit to Drill be sent to them. He also indicated that they would plug their #1 well. The plugging program for this well will be very carefully planned and witnessed by this office.

Two applications to abandon and plug have been approved and forwarded to Eastern Petroleum Company for their #18 Santa Fe Fee well located in

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Activity Report
W. E. Allen

the NE/4 SW/4 Section 13-T20N-R27E and the #1-26 Santa Fe Fee well located in the SE/4 SW/4 Section 26-T20N-R27E. Both these wells are approximately six miles east of Navajo, Arizona.

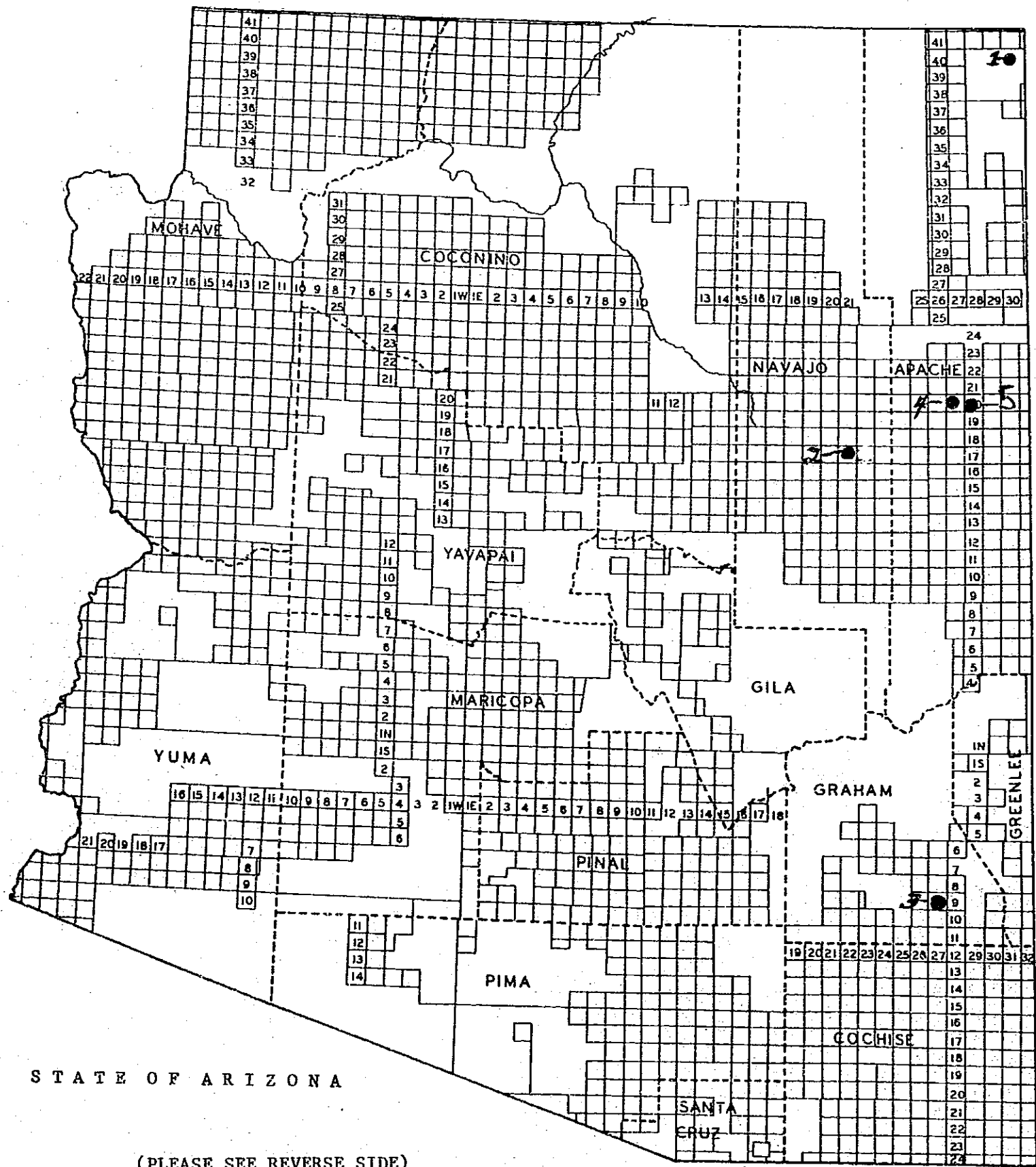
Western Helium placed their plant on stream September 30, 1970. They expect to be able to start marketing helium the week of October 12. Two wells, the Eastern Ancon #21 Santa Fe Fee in the SE/4 NW/4 Section 31-T20N-R28E and the Eastern #21-1A Santa Fe Fee in the NW/4 NW/4 Section 31-T20N-R28E, are supplying the plant with the raw gas needed for their operation.

Aritex Development Corporation has decided not to drill a water supply well at this time. They have laid an underground four-inch plastic line from Holbrook and are using water supplied by the city in their operations. Aritex has resumed enlarging the storage cavity and expect to continue with the enlarging of this reservoir until February, 1971. At this time the reservoir will have a capacity of 200,000 barrels. Unless conditions change, there will be no attempt made to store LPG this year. The 200,000 gallons of LPG that was injected for test purposes into the reservoir will act as a blanket to prevent any additional washing of the reservoir roof or top portion of the reservoir.

No further testing has been done on the Union Texas Lukachukai #1-14 Navajo well in the NE/4 SW/4 Section 14-T37N-R29E, Apache County, Arizona. However, reservoir pressures are still being observed. There is a possibility that Union Texas will drill another exploratory test in this immediate area.

Depco #1-2 Navajo located in the NW/4 SE/4 Section 2-T40N-R30E, Apache County, has been plugged and abandoned. Total depth was 7230'.

Tenney #3 State located in the SE/4 SW/4 Section 36-T9S-R27E, Graham County, is still bottomed at 1825'. An attempt is being made to pull the ten-inch casing which was set at 1400' and replace it with eight-inch casing. All except 165' has been recovered. Mr. Tenney is of the opinion that the remaining 165' has collapsed. At any rate they have been unable to pull it through the surface casing.



STATE OF ARIZONA

(PLEASE SEE REVERSE SIDE)

Courtesy of
ARIZONA OIL REPORT

1. Depco, Incorporated #1-2 Navajo -----Section 2-T40N-R30E --- Apache County
2. Aritex Development #1 Fee Strat -----Section 6-T17N-R21E --- Navajo County
Aritex Development #2 Fee Strat -----Section 6-T17N-R21E --- Navajo County
3. Tenney #3 State -----Section 36-T9S-R27E --- Graham County
4. Eastern #18 Santa Fe Fee -----Section 13-T20N-R27E--- Apache County
Eastern #1-26 Santa Fe Fee -----Section 26-T20N-R27E--- Apache County
5. Eastern #21 Ancon Santa Fe Fee -----Section 31-T20N-R28E---Apache County
Eastern #21-1A Santa Fe Fee -----Section 31-T20N-R28E---Apache County

AGENCY Oil & Gas Conservation Comm.

DIVISION _____

IDENTIFICATION CODE NO. _____

1		2		3		4	
CLAIMS PAID YEAR TO DATE		OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION		CLAIMS PAID MONTH OF	19	
620	00	7111.0	1	Per diem: board members	1	210	00
12,954	00	7112.0	2	Salaries, wages: employees	2	4,318	00
		7151.0	3	Industrial Insurance	3		
424	35	7153.0	4	F.I.C.A.	4	110	62
647	73	7155.0	5	State Retirement	5	215	92
		7159.0	6	Personnel Commission	6		
100	00	7215.0	7	Professional Services - Engineer	7		
		7219.0	8	Professional Services - Court Reporter	8		
363	90	7221.0	9	Travel - State: Mileage	9	76	60
675	09	7222.0	10	Subsistence	10	248	24
36	44	7230.0	11	Public Transportation	11	36	44
301	60	7224.1	12	Gas - Oil	12	178	49
		7224.2	13	Tires	13		
45	16	7224.3	14	Preventative Mtn.	14		
9	90	7224.4	15	Repairs (Usage)	15	9	90
2	40	7225.0	16	Reg. Fees, Telephone, etc.	16	1	20
18	00	7224.6	17	Strg, Parking, Washing, etc.	17		
181	30	7232.0	18	Travel - Out of State: Subsistence	18	121	50
351	65	7233.0	19	Public Trans., Taxi, etc.	19	262	45
61	30	7239.0	20	Reg. Fees, Telephone, other	20	1	30
3,698	92	7251.0	21	Occupancy: Rent	21	3,698	92
		7253.0	22	Maintenance & Repairs	22		
		7259.0	23	Other	23		
			24		24		
			25	Maintenance & Repairs:	25		
		7272.0	26	Furniture & Equipment	26		
		7272.1	27	Maintenance Typewriters	27		
		7272.2	28	Overhaul Typewriters	28		
		7272.4	29	Repair Adding Machines	29		
			30		30		
		7280.1	31	Printing Stationery	31		
19	00	7280.2	32	Printing Forms	32		
		7280.3	33	Carbon Paper & Typewriter Ribbons	33		
88	87	7280.9	34	Other Misc. Office Supplies	34		
		7296.3	35	Coarse Paper (Towels, etc.)	35		
		7294.4	36	Soap	36		
		7296.5	37	Brooms, etc.	37		
		7296.6	38	Light Bulbs, etc.	38		
203	03	7300.0	39	Film, Field Supplies, Tools, under \$10	39	113	74
		7331.5	40	Printing Maps	40		
		7331.9	41	Printing, Other	41		
131	54	7332.9	42	Legal Advertising	42		
		7334.1	43	Stamps	43		
483	95	7335.0	44	Telephone	44	157	02
46	25	7333.0	45	Court Reporter	45	46	25
		7342.2	46	Rental Equipment	46		
30	00	7360.0	47	Dues & Subscriptions	47	8	00
		7431.1	48	Capital Outlay: Typewriter	48		
		7431.4	49	Desks, Tables, Chairs, etc.	49		
		7431.5	50	Files, Storage Cabinets, etc.	50		
4,514	41	7436.1	51	Passenger Cars	51		
			52		52		
250	00	7913.0	53	Revolving Fund	53		
			54		54		
			55		55		
26,158	79		TOTAL			9,814	59

OFFICE _____

RECEIPTS MONTH OF <i>Sept</i> 1970	RECEIPTS CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
- 0	1 Permits to Drill		- 0	
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
	12			
	13			
	14			
	15			
	16			
	17			
- 0	TOTAL CURRENT MONTH RECEIPTS			XXXXXXXXXX
XXXXXXXXXX	TRANSFERS IN			
	BALANCES BROUGHT FORWARD		2,295 25	XXXXXXXXXX
	TOTALS - MONTH AND YEAR TO DATE		2,295 25	75 00

6 CLAIMS PAID MONTH OF <i>Sept</i> 1970	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
4,528 00	1 Personal Services	20,092 50	13,574 00		6,518 50
326 54	2 Emp. Related Exp.	1,708 75	1,072 08		636 67
4,023 93	3 Other Operating Exp.	8,907 50	5,008 37	298 28	3,600 85
-	4 Prof. & Outside Serv.	375 00	100 00		275 00
550 87	5 Travel - State	2,000 00	1,355 68	289 24	355 08
385 25	6 Travel - Out of State	375 00	534 25		340 75
-	7 Cap. Outlay - Equip.	8,000 00	7,514 41	1,973 14	1,512 45
-	8 Conserv. Fund - Other				
	9 Operating Exp.				
	10				
	11				
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	28				
	29				
	30				
9,814 59	TOTALS	41,958 75	26,158 79	2,560 66	13,239 30

AGENCY 011 & Gas Conservation Comm. IDENTIFICATION CODE NO. _____