

OIL & GAS CONSERVATION COMMISSION
Meeting: June 18, 1971
Mr. John Bannister, Exec. Sec.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

A G E N D A

Meeting
June 18, 1971
4515 N. 7th Avenue, Phoenix, Arizona

10:00 a.m.

Call to order

1. ✓ Approval of minutes of meeting of May 21, 1971
2. ✓ Executive Secretary report
3. ✓ Enforcement Section activity report
4. ✓ Geology Section activity report
5. Old business
6. New business
7. Adjourn

*Aug Meeting
in Showlow
20th*

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

Ariz. Helium

4 Corners

Salt Project

*Letter to Gov of Turkey + Goelzer
Re Geo Therm*

My Salaries

OIL AND GAS CONSERVATION COMMISSION
4515 N. 7th Avenue
Phoenix, Arizona 85013

Minutes of Meeting
May 23, 1971

Present:

Mr. Ralph W. Bilby, Chairman
Mr. Lucien B. Owens, Member
Mr. W. Roger Hafford, Member
Mr. Frank E. Moore, Member
Mr. Robert A. Bledsoe, Member

The regular Commission meeting for the month of May, 1971 was called to order by Chairman Ralph Bilby at 10:00 a.m.

The minutes of the meeting of April 16, 1971 were approved as written.

Reports of Executive Secretary, Enforcement Section and Geology Section were accepted.

Executive Secretary advised that since House Bill 147 has passed both houses of the Legislature, been signed by the Governor, and did not have the emergency clause, it will become law on August 13, 1971. As changes were made in the statutes, certain changes will be necessary in the rules and regulations, which will require a public hearing before new rules can be published. Executive Secretary was instructed to arrange the hearing to coincide with the regular September Commission meeting.

After discussion, motion was made and carried that Executive Secretary approach the Finance Department with an amended proposal from Ammon International Corporation for sale of copyrights for certain maps which would be of invaluable use to Commission geologists, as well as other state departments. The original proposal from Ammon International Corporation was refused by the Finance Department, as the purchase would necessitate transfer of funds from "Other Operating Funds Account" to "Capital Outlay Account".

Mr. F. L. Ryan, Supervisor of Water, Mineral, Oil and Gas Production, State Land Department, introduced Mr. John M. Little, Assistant State Land Commissioner. Mr. Little advised that the State Land Department might be in position to assist with the purchase of the Ammon copyrights, as might some other State departments.

Minutes of Meeting
May 23, 1971
Page 2

Meeting adjourned at 11:45 a.m.

APPROVED

Ralph W. Bilby, Chairman



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

June 10, 1971

Memo: Commissioners
From: John Bannister

Re: Report of Activity

You have previously been furnished with a breakdown on the budget allowed to this Commission for the 1971-72 year. The most serious reductions in our request, in my opinion, have occurred in the travel categories.

Our State Travel request was for \$10,800, with the amount of \$8,400 being allowed. The figure at \$10,000 was at a relatively critical point, considering the necessity of the geologists being in the field more frequently. This will be particularly true as the initial phase of our endeavor is completed and their on-sight investigations begin.

As to Out of State Travel, you are aware we have considered allowing various of our Commissioners to travel to various oil centers and visit responsible individuals in the different oil companies. A portion of the \$6,000 requested was for this purpose. The Legislature, again, is limiting the Out of State Travel to \$3,500, which will call for restricted activity in this line. The normal out of state travel to which this Commission is ordinarily committed will pretty well use up this fund.

I was disappointed to note that the Legislature did not allow the Commission any money to reimburse the Museum of Northern Arizona for some of the equipment it allowed us to have in transferring their samples from Flagstaff. As you will recall, we had agreed to attempt to secure, on a yearly basis, the total sum of \$10,000. The budget request contained provision for \$2,000 for this purpose, however it was not allowed and I have advised the Museum to this effect.

In general, our appropriation for 1971-72 is in pretty good shape.

As usual, it is time to begin consideration of our 1972-73 budget. Instructions are that the request be submitted not later than September 1st of this year and we will have available for your scrutiny a proposed budget by our August meeting.

Page 2
Executive Secretary Report
6-10-71

A report on the Navajo Indian sale is enclosed. I feel no further comment is necessary.

The indications are that the attempt of Ed Obele to drill a well in southeastern Cochise County will not be successful in June, as he had anticipated. The last word I had indicated that attempt to drill will be postponed until some time in September.



OFFICE OF
Oil and Gas Conservation Commission

STATE OF ARIZONA
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ACTIVITY REPORT

June 10, 1971

Memo from W. E. Allen, Director
Enforcement Section

Suburban Gas has drilled a strat test in the NW/4 NW/4 Section 8-T18N-R24E Apache County, Arizona. The purpose of this test hole was to determine if the salt section was great enough to provide an adequate reservoir for an LPG storage project. A total of 160 feet of salt was cored. This was some 40 to 60 feet more salt section than was anticipated. A water well is presently being drilled. Following completion of the water well Suburban will drill two more wells to be converted into LPG storage wells. Application to drill these two wells should be received shortly.

Fenix and Scisson, the prime contractor for the above project, is currently making preliminary studies for Cal-Gas, a California corporation, to determine the feasibility of developing an LPG storage project west of Glendale near the Southwest Salt Company's operation.

The Commission has authorized Engineering Testing Laboratory to drill and case ten holes at strategic locations around the solar ponds serving the Southwest Salt mining operations. These holes will allow periodic inspection of this operation in order to determine if any seepage from the ponds exists. Any seepage of brine that might occur can be detected long before the brine can penetrate any fresh water zones or move laterally into adjacent farmlands.

The writer visited Jerry Grott of Southwest Salt on the eighth of this month. While there, the first commercial delivery of salt was made. Jerry has a contract to supply Kaiser-Aetna with 300 tons of salt in July. This will be used to build a floor for a 50-acre lake being built in the new residential development in Scottsdale.

We have recently contacted United States Fidelity and Guaranty, the bond company that is surety for six wells belonging to Arizona

Page 2
Activity Report - W. E. Allen
June 10, 1971

Helium, to advise them of the necessity of plugging these wells. It is expected that the wells will be plugged in the very near future.

The Cathedral #1 Federal in the SE/4 SW/4 Section 16-T17N-R5E Yavapai County has been abandoned at a total depth of 1015' reportedly in granite. The well is to be used as a water well.

The Cecil E. Cope #1 Bradshaw in the NW/4 NE/4 Section 34-T18N-R4E Yavapai County has experienced nothing but trouble. The total depth is 600' in the Mississippian. The Mississippian was reportedly topped at 418'. The operator is currently looking for a larger rig to replace the rig presently on the hole.

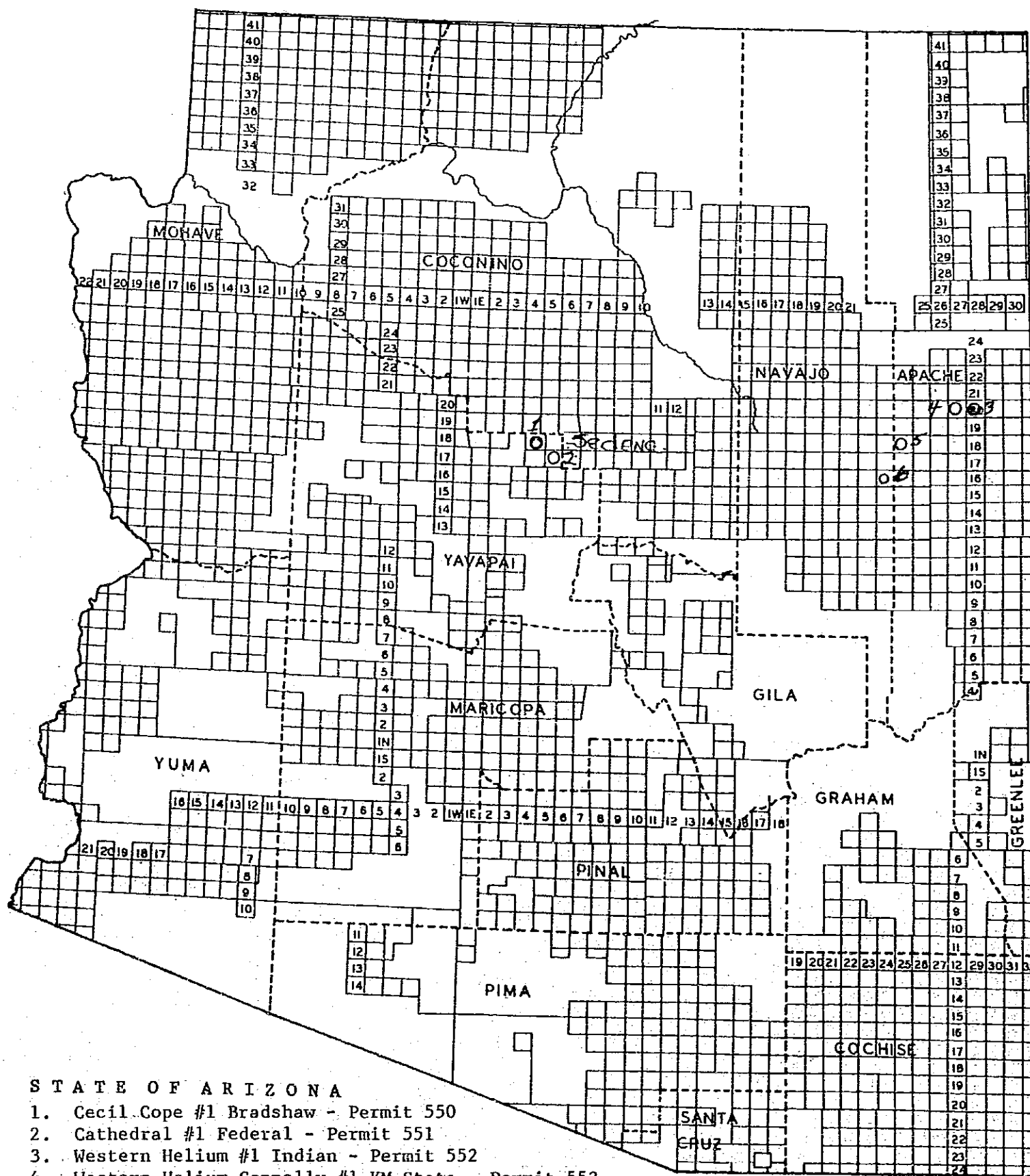
Western Helium Connelly #1 KM State in the NE/4 NE/4 Section 36-T20N-R27E Apache County has reached a total depth of 1165' in the Coconino. Logs have been run and a small helium well apparently is assured. A potential test has not yet been made. Initial tests indicate some 150 MCF per day of raw gas.

Western Helium #1 Indian in the SE/4 NW/4 Section 30-T20N-R28E Apache County has not been completed as yet. The operators have experienced mechanical difficulties in the drilling of this well. Initial tests have indicated that a small well of perhaps 75 MCF per day will result.

You are aware that Western Helium's offer to purchase the old Arizona Helium Corporation plant was rejected. Western has now closed the plant and all wells that were producing into this plant have been shut in. It is my understanding that all the assets of Arizona Helium will be offered for sale at auction in the near future on a piecemeal basis.

While on vacation recently I had the opportunity of visiting with several management people in Denver that are connected with major oil companies. The possibilities of finding oil and gas in Arizona was definitely plugged during these visits. In each instance full cooperation of the Commission was offered when and if their companies decided to explore for oil and gas in our state.

An application to drill on NW/4 NE/4 Section 34-T16N-R23E Navajo County has been received from Reuel W. Little, an operator from Madill, Oklahoma. This application is being held up until a drilling bond is received. Dr. Kalil, formerly with the Oil and Gas Commission, has an interest in this well.



STATE OF ARIZONA

1. Cecil Cope #1 Bradshaw - Permit 550
2. Cathedral #1 Federal - Permit 551
3. Western Helium #1 Indian - Permit 552
4. Western Helium Connelly #1 KM State - Permit 553
5. Suburban Gas Company location
6. Reuel Little location

Courtesy of
ARIZONA OIL REPORT



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

June 10, 1971

ACTIVITY REPORT

TO: COMMISSIONERS

FROM: GEOLOGICAL STAFF

James Scurlock

I have been in the process of revising our structure map of northeastern Arizona. It was last revised in early spring of 1969.

The revision this time will be a bit larger in that it will cover much of northern Mohave County--the so-called Arizona Strip. The new revision also will show a structure map of the Dineh Bi Keyah area contoured on the McCracken Sandstone and a small structure map of extreme northern Apache County contoured on the Desert Creek Zone. This revision is to be finished, and we are to have prints run off, by the end of June.

Jack Conley

SAMPLE CATALOG PROJECT

The inventory of drill-bit cuttings of wells drilled for oil, natural gas, helium, water, stratigraphic information and other purposes in Arizona in our library has been completed. The preliminary compilation of an index for all such samples has been completed. Integrated into the index is information as to the samples available in the library maintained by the Arizona Bureau of Mines in Tucson. The final index compilation, including explanatory manuscript and illustrations, will be ready for printing late next week.

SAMPLE LIBRARY

During the last two weeks of this month, the many sets of out-of-state samples, and duplicate sets of samples, will be inventoried and segregated. Out-of-state sets of samples affecting Arizona geology will be retained. A tabulation of the remaining sets will be prepared later this summer for distribution to geological surveys and universities

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Activity Report
Geological Staff
June 10, 1971

Jack Conley (Cont.)

that might wish to acquire them for their sample collections.

Duplicate sets of samples desired by the Arizona Bureau of Mines will be shipped to Tucson.

Bulky and seldom used boxes and crates of cores will be moved to our extra storage facility on East Van Buren.

Storage of the samples and cores retained in this office library will be rearranged to permit easier and faster access.

MAP PROJECT

Some progress has been made, particularly within the Navajo and Hopi Indian Reservations, in determining the correct location of water wells sufficiently deep to be of value in future subsurface geological investigations.

GEOTHERMAL STUDY

A report on geothermal investigations in Mexico, California and Rocky Mountain States, and use of steam and hot water generation of electricity, has been published in the last issue of EARTH SCIENCE, Wyoming Geological Association. I have heard that the report mentions Arizona having 21 prospective geothermal areas.

A copy of the publication will be obtained, and this report checked.

Edward Koester

Since my activity report of last month, we have received, on a confidential basis, copies of the electric logs and the correlations of Humble Oil and Refining Company on their important deep test in southwestern New Mexico east of Cochise County. Their correlations, which I am inclined to prefer, differ considerably from those from other sources. They show that this well went through three overthrust faults and drilled about 2000 feet of added section of sedimentary rocks. This new data includes confirmation of oil stains in the upper part of the Permian limestones and a definite show of gas lower in the Permian section. Later information from Gene Greenwood, mentioned in last month's report by Jack Conley, confirms that the gas flow was increased by acidization to one-half million feet per day. The PEMEX well, No. 1 Chino, in northwestern Chihuahua, had oil shows in the same

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Activity Report
Geological Staff
June 10, 1971

Edward Koester (Cont.)

Permian rocks. The significance of this to Arizona is that Permian rocks are widespread in the Pedregosa Basin of Cochise and adjoining counties and may be considered potential oil producing formations there. Earlier oil shows have been reliably reported from Mississippian and Devonian rocks in a few Cochise County wells.

The presence of Cretaceous rocks with oil shows in at least two, possibly three, northern Cochise County wells seems to be established. Cretaceous oil and gas production is widespread throughout the Rocky Mountain region.

On the Memorial holiday weekend, I visited parts of Yuma County. While large mountainous areas in this county certainly have poor or no possibilities of oil production, recent work by the U.S. Geological Survey and some older work show that Mesozoic and Paleozoic rocks are present in some upfaulted mountain blocks. We may expect these sediments to be present as potential oil-producing beds in the intermontane valleys. Moreover, other studies by the U.S. Geological Survey in the Yuma area show that the ancient Gulf of California extended as far north as the vicinity of Parker, Arizona. Knowledge of the presence of marine Pliocene beds over a broad area in western Arizona and southeastern California certainly improves the attractiveness of this part of our state as oil hunting ground.

June 8, 1971
P. O. Drawer 1200
Douglas, Arizona

Mr. John Bannister
Arizona Oil & Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona

Dear John:

As per our telephone conversation yesterday.

I will bring up at our June 18th meeting the subject of Arizona Public Service Co. and some of my discussion with some of their people. We should set up a meeting with Mr. Elton Buell who is head of their research and development division and Mr. Claire Titus, Executive V. P. research and development, etc. A. P. S. suggested a possible meeting on Thursday, July 15th.

A. P. S. very much interested in finding a good supply of natural gas for present and future use. Why not look in Arizona insted of spending their money looking elsewhere? If they had it here, they would have a much better hold on it as intrastate gas insted of interstate gas, Check O & G Journal.

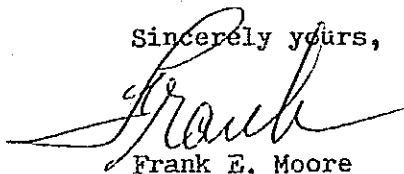
If we present this matter in a good and factual manner, I think that we can obtain some help in some way with exploration within the state.

If, I do not receive any or little interest from other members of the commission, on this matter, we, along with the Geologists, can handle the subject in good shape at any meeting with A. P. S.

Apparently someone has give Mr. Buell the idea that there is a very poor possability of any gas or oil in Arizona. He is a graduate of the U. of A. in engineering, so it is possible he obtained the idea from there several years ago.

See you next week.

Sincerely yours,


Frank E. Moore

June 7, 1971
P. O. Drawer 1200
Douglas, Arizona

Mr. John Bannister
Arizona Oil & Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona

Dear John:

Enclosed is another article from the C & G Journal regarding unfound reserves of oil and gas. It might be a good idea to make a file on such articles for future use.

As to this years budget and the loss of travel money that we need. I made a mistake in not meeting with some of the people in each appropriations committee and going over the matter with them and telling them why we needed this money. Next year we want to do this, with or without other members of our commission. I suggest that you make a file on the subject of travel, within and without the State, listing the important meetings, etc. that we could not make because we had no money for travel. If we are going to do a good job of interesting people or companies in exploring for oil and/or gas in Arizona we must do more than sit on our "dead rears" here in Arizona.

I believe that it would be a good idea for you and the three geologists and myself to get together for a discussion on our problem of getting companies to look at Arizona for oil and gas exploration. We must come up with some good ideas as to what is best to do on this matter. Other members of the commission can come to this meeting or maybe to discuss the ideas and plans with them after we have formulated some ideas as to what we should do.

Has Commissioner Hafford called or met with you since the last meeting?

Thanks for the clippings. Quote, "Federal receipts from mineral leases in Arizona was \$347,080.00, 88% from oil and gas leases = \$306,071.04". What part of this is the State receiving? It says, "Federal remittances to Arizona from revenues from land sources were \$73,252.00 in 1970, down from \$830,077.00 in 1969." Quite a drop and why. Can anyone tell you what the State of Arizona is receiving from the oil and gas business, in the way of taxes, lease rentals or royalty? If the Tax Commission has not made any headway on this matter since the last time we met with them, it is about time we had another meeting with them on the subject. I think that the O & G industry should receive credit for all revenues it produces for the State.

Have you made any headway in finding a retired independent
oil and gas individual?

See you next week.

Sincerely yours,

Frank
Frank E. Moore

Geologists say vast U.S. reserves still unfound

OIL RECOVERY from fields yet to be discovered in the U.S. could approach 199 billion bbl.

And there is an estimated 911 trillion cu ft of gas waiting to be found.

William H. Curry disclosed those figures at last week's midyear meeting of the Independent Petroleum Association of America. Curry, president of the American Association of Petroleum Geologists, told sessions at Los Angeles the figures stem from an AAPG report to be published in July.

AAPG estimates recoverable undiscovered oil at from 107 billion-199 billion bbl—depending on recovery percentage down the road. Recoverable undiscovered gas is put at a median of 911 trillion cu ft.

Curry gave no breakdown by area but said the potential reserves lie in 11 U.S. regions evaluated by AAPG for the National Petroleum Council. The report was compiled into a national survey publication in a 2,000-page, two-volume edition.

Curry said the AAPG report was named, however, that the industry has at least part of the



AAPG's Curry
Government key to new reserves.

key to finding new reserves.

He said, "Professionals who have a successful living at finding oil and gas believe there is much more to be discovered, but future success depends upon adequate price, unrestricted legislation, and unfettering regulations."

Curry made a bid for an expanded role for geologists in selling the oil industry's position to the public and to Government.

While praising the American Petroleum Institute's new advertising program, Curry said: "There is a whole facet to the oil and gas industry that has not been utilized in our public efforts, and that is the explorationists, per se."

Selling job. However, before the geologists can help the oil industry with its selling job, they must first sell themselves "to our own industry as a distinct entity."

He said the AAPG first tried to interest the API in forming a division of exploration to match similar divisions for other segments of the industry but that "we were not successful." There was, however, an exploratory subcommittee authorized by the API in New York last November, but so far it has not been implemented.

"We geologists would like to be of service to our country because we know whereof we speak in exploratory matters," Curry said.

RECEIPTS MONTH OF	RECEIPTS CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
May 1971				
50 00	1 Permits to Drill		50 00	2 75 00
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
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	11			
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	13			
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	15			
	16			
	17			
50 00	TOTAL CURRENT MONTH RECEIPTS		50 00	XXXXXX
	TRANSFERS IN Out		-0-	
XXXXXX	BALANCES BROUGHT FORWARD		1,526 83	XXXXXX
50 00	TOTALS - MONTH AND YEAR TO DATE		1,576 83	275 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
May 1971					
6,961 00	1 Personal Services	80,370 00	65,974 32		14,375 68
676 38	2 Emp. Related Exp.	7,289 00	6,058 03		1,230 97
737 25	3 Other Operating Exp.	35,630 00	27,476 30	642 95	7,510 25
	4 Prof. & Outside Serv.	1,500 00			1,500 00
543 09	5 Travel - State	8,000 00	5,443 04	1,517 58	1,039 38
590 55	6 Travel - Out of State	3,500 00	3,279 97		220 03
	7 Cap. Outlay - Equip.	8,700 00	8,698 12		1 88
	8 Conserv. Fund - Other	1,770 00	918 40		851 58
	9 Operating Exp.				
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	30				
2,508 27	TOTALS	146,759 00	117,868 20	2,160 53	26,730 27

AGENCY 011 & Gas Conservation Comm.

IDENTIFICATION CODE NO.

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 May 19 71
2,540.00	7111.0	1 Per diem: board members	1 330.00
63,454.32	7112.0	2 Salaries, wages: employees	2 6,631.00
117.39	7151.0	3 Industrial Insurance	3
2,610.39	7153.0	4 F.I.C.A.	4 344.80
3,150.35	7155.0	5 State Retirement	5 331.58
180.00	7159.0	6 Personnel Commission	6
	7215.0	7 Professional Services - Engineer	7
	7219.0	8 Professional Services - Court Reporter	8
944.70	7221.0	9 Travel - State: Mileage	9
2,437.65	7222.0	10 Subsistence	10 123.00
196.68	7223.0	11 Public Transportation	11
1,269.40	7224.1	12 Gas - Oil	12 364.19
116.87	7225.0	13 Reg. Fees, Tel. Rental, etc.	13 54.40
45.16	7224.3	14 Preventative Mtn.	14
6.94	7224.4	15 Repairs (Usage)	15
330.00	7224.5	16 Repairs (Damage)	16
33.13	7224.6	17 Strg. Parking, Washing, etc.	17 1.50
1,383.22	7232.0	18 Travel - Out of State: Subsistence	18 354.92
1,607.60	7233.0	19 Public Trans., Taxi, etc.	19 153.23
222.90	7239.0	20 Reg. Fees, Telephone, other	20 16.10
14,645.14	7251.0	21 Occupancy: Rent	21
805.28	7253.0	22 Maintenance & Repairs	22
	7349.0	23 Other (Misc. Rental)	23
	7272.9	24 Repair Furniture	24
		25 Maintenance & Repairs:	25
45.45	7272.0	26 Furniture & Equipment	26
33.60	7272.1	27 Maintenance Typewriters	27
	7272.2	28 Overhaul Typewriters	28
49.56	7272.4	29 Repair Adding Machines	29
		30	30
200.72	7280.1	31 Printing Stationery	31
	7280.2	32 Printing Forms	32
1363	7280.3	33 Carbon Paper & Typewriter Ribbons	33
1,353.46	7280.9	34 Other Misc. Office Supplies	34 79.81
48.05	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
760.05	7300.0	39 Film, Field Supplies, Tools, under \$10	39 44.65
414.25	7331.5	40 Printing Maps	40
495.40	7333.0	41 Printing, Other	41
343.91	7332.9	42 Court Reporter	42
2,129.04	7334.1	43 Stamps	43
3,289.87	7335.0	44 Telephone	44 389.69
342.00	7337.0	45 Drayage	45
165.35	7342.2	46 Rental Equipment	46
780.06	7360.0	47 Dues & Subscriptions	47 30.25
2,470.95	7431.1	48 Capital Outlay: Typewriter	48
772.14	7431.4	49 Desks, Tables, Chairs, etc.	49
4,514.41	7431.5	50 Files, Storage Cabinets, etc.	50
160.56	7436.1	51 Passenger Cars	51
250.00	7490.0	52 Misc. (Blackboard)	52
700.00	7913.0	53 Revolving Fund	53
	7912.0	54 Transfer to Other Funds	54
		55	55
		TOTAL	

OFFICE

(DO NOT WRITE BELOW THIS LINE)

FIELD

<i>Paid</i>		1		1	
<i>year</i>		2		2	
<i>to Date</i>		3		3	<i>May, 1971</i>
		4		4	
		5		5	
60.00	7231.0	6	Travel - Out of State - Personal Car	6	60.00
6.25	7234.0	7	Travel - Out of State - Airport Parking	7	6.25
1.00	7261.0	8	Warehouse Rental	8	1.00
220.14	7263.0	9	Warehouse Maintenance & Repairs	9	186.15
88.88	7349.0	10	Rental, Misc.	10	5.70
		11		11	
		12		12	
		13		13	
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		50		50	
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		52		52	
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		54		54	
117,868.20		55	TOTAL	55	7,508.27

OFFICE
AUDIT:

(DO NOT WRITE BELOW THIS LINE)
TYPED:

FIELD
AUDIT:

BY: _____ DATE: _____

BY: _____ DATE: _____

BY: _____ DATE: _____

DATE RECEIVED: _____ BY: _____

Up \$283.8 million

THE ARIZONA REPUBLIC
6-10-71 PG 1

Arizona industry's cash value jumps

By BRYCE MCINTYRE

The cash value of property owned by the state's major industries increased by 11 per cent to \$2.73 billion over the last 12 months, State Department of Property Valuation officials revealed yesterday.

The \$283.8 million jump from last year's figure of \$2.45 billion was due primarily to capital improvements and a good business year for mines and for gas and electric utilities, said department director Arlo Woolery at a press conference at the Phoenix Press Club. His department is responsible for appraising centrally assessed property, or property not assessed by county assessors, for the purpose of levying taxes.

Woolery said mines increased in value \$144.1 million, while gas and electric utilities increased \$93.8 million and railroads decreased \$14.1 million.

Woolery attributed much of the increased valuation for mines to a new \$106 million open pit copper mining operation run by Duval Corp. at Sierrita, south of Tucson.

Gas and electric utilities are growing partly because of increasing population, Woolery said, and partly because the expanding mining operations require more gas and electric power.

Atchison, Topeka and Santa Fe Railway slipped by \$10.6 million, while Southern Pacific went down in value more than \$1 million, Woolery said.

This he attributed to "the general economic problems of the railroads, which have not escaped the fate of the Pennsylvania Railroad."

He said railroads were awarded relatively small grain hauls out of Kansas and potash hauls out of New Mexico over the last year.

He added that they were also required to contribute cash sums to Amtrak, the country's new national railway system.

While Woolery recognized the general vigor of the state's economy, he said this year's 11 per cent jump in valuations of centrally assessed property "is the largest we can expect for years to come."

"Five or six per cent probably is more like what we can expect over the next four or five years," he observed.

Following are summaries of his reasons:

—Pipelines may increase in value next year, but there's

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More about Industry's value

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a growing shortage of natural gas reserves in the United States. The gas companies, he said, are turning to liquefied natural gas from the Middle East as a major new source.

—Airlines probably will not increase much in value in the next few years because of a trend toward consolidation of schedules and big company mergers.

—No new major mines are coming into the state within the next few years.

—Power utilities will be greatly affected by a current federal moratorium on construction of fossil-fuel generating facilities.

—Private water utilities commonly condemned and taken over by municipalities, resulting in smaller increases in valuations.

Following is a list of categories of industries assessed by the Department of Property Valuation comparing valuations from this year and last.

	1970	1971
Railroads	\$ 165,301,000	\$ 151,156,000
Pipelines	337,380,000	352,420,000
Airlines	20,320,808	30,879,781
Producing Oil and Gas Interests	5,805,092	4,479,368
Mines	649,473,400	793,622,680
Gas and Electric Utilities	794,339,000	888,118,908
Water Utilities	34,231,000	40,396,788
CATV and Microwave Systems	3,331,000	4,289,788
Telephone and Telegraph	439,769,000	468,471,250
GRAND TOTAL	\$2,450,041,300	\$2,733,805,279

Valuation of major state companies

Following is a list of the major companies and the values of their properties for 1970 and 1971 as determined by the State Department of Property Valuation.

Name	1970	1971
RAILROADS		
Apache Railway Company	\$ 1,480,000	\$ 1,640,000
Atchison Topeka & S F Railway Co.	76,200,000	65,590,000
Magma Arizona Railroad Co.	146,000	187,000
San Manuel Arizona Railroad Co.	710,000	998,000
Southern Pacific Transportation Co.	86,550,000	82,500,000
Tucson Cornelia & Gila Bend Railroad Co.	215,000	241,000
PIPELINES		
Four Corners Pipeline Co.	\$ 9,500,000	\$ 9,750,000
El Paso Natural Gas Co.	218,500,000	226,500,000
Southern Pacific Pipelines, Inc.	25,275,000	27,120,000
Transwestern Pipeline Co.	69,980,000	70,250,000
Kerr-McGee Pipeline Corp.	285,000	300,000
Black Mesa Pipeline	13,840,000	18,600,000
AIRLINES		
American Airlines, Inc.	\$ 4,971,778	\$ 6,093,221
Apache Airlines, Inc.	38,156	34,000
Air West, Inc.	4,682,124	10,464,806
Continental Air Lines, Inc.	1,676,361	2,172,773
Frontier Airlines, Inc.	894,265	2,160,909
Trans World Airlines, Inc.	3,260,305	4,919,823
Western Air Lines, Inc.	4,564,181	4,292,750
Delta Airlines, Inc.	233,638	742,118
GAS AND OIL INTERESTS		
(Values of \$100,000 or more)		
Eastern Petroleum Co.	\$ 27,416	\$ 42,475
Humble Oil & Refining Co.	732,988	413,434
Kerr-McGee Corp.	4,861,634	3,561,438
Monsanto Co.	66,590	68,724
Consolidated Oil & Gas Co., Inc.	193,293	135,634
AAA Fishing Tool Co.	10,239	148,193
Crest Oil Co.	3,932	4,221
Clinton Oil	-0-	34,937
Merrion & Bayless	-0-	61,312
MAJOR MINING COMPANIES		
American Smelting & Refining Co.	\$ 58,250,000	\$ 60,500,000
Mission Unit		
American Smelting & Refining Co.	17,240,000	23,850,000
Silver Bell Unit		
American Smelting & Refining Co.	2,950,000	3,020,000
San Xavier		
Bagdad Copper Company	11,156,000	12,850,000
Duval Corporation (Esperanza Mine)	14,630,000	9,200,000
Duval Corporation (Mineral Park Mine)	28,800,000	23,990,000
Inspiration Consolidated Copper Co.		
Limestone Quarry and Plant	59,000	65,200
Inspiration Consolidated Copper Co.		
Christmas Mine	5,965,000	4,425,000
Inspiration Consolidated Copper Co.		
Inspiration Mine and Smelter	30,240,000	25,700,000
Kennecott Copper Corporation		
Ray Mine Division	71,600,000	81,786,000
Magma Copper Company		
Magma Mine	3,370,000	3,610,000
GAS AND ELECTRIC UTILITIES		
(Values of \$10 million or more)		
Arizona Electric Power Co-op, Inc.	\$ 10,116,000	\$ 13,880,080
Salt River Project (Electric)	172,500,000	212,800,000
Arizona Public Service Co.	401,350,000	436,450,000
Tucson Gas & Electric Co.	148,800,000	157,250,000
Citizens Utilities Co.		
Electric, Kingman	10,495,000	11,810,000
WATER UTILITIES		
(Values of \$500,000 or more)		
Ajo Improvement Co.	550,000	560,000
Deer Valley Utilities, Inc.	2,230,000	2,830,000
Desert Sage Water Co., Inc.	470,000	586,000
Metropolitan Water Co., Inc.	795,000	834,000
Mockingbird Water Co.	950,000	1,204,000
Morenci Water & Electric Co.	950,000	965,000
Paradise Valley Water Co.	2,348,000	2,740,000
Southwest Water Co.	575,000	605,000
Citizens Utilities Co., Sun City Water Co.	2,360,000	3,195,000
Citizens Utilities Co.		
Citizens Util. Water Co. of Arizona	2,820,000	3,087,000
United Utilities	594,000	733,200
Arizona Water Company	10,216,000	11,600,000
CABLE TV AND MICROWAVE SYSTEMS		
(Values of \$200,000 or more)		
Harriscop Cable Corp.	417,000	412,000
H & B Communications Corp.	129,000	213,000
Columbia TV Co., Inc.	425,000	498,000
Carleton Signal Corp.	187,000	225,000
Cablecom-General, Inc.		
Clifton/Morenci System	201,000	208,000
Cablecom-General, Inc., Safford System	194,000	203,000
Cablecom-General, Inc., Show Low System	224,000	237,000
Cablecom-General, Inc., Winslow System	239,000	251,000
American Television Relay, Inc. Locally Assessed		357,620
TELEPHONE AND TELEGRAPH COMPANIES		
(Values of \$1 million or more)		
American Telephone & Telegraph Co.	\$ 57,500,000	\$ 55,350,000
Citizens Utilities Co.		
(Telephone, Kingman)	2,565,000	2,686,000
Citizens Utilities Rural Co. (Telephone)	1,870,000	2,420,000
Golden West Telephone Co.	1,650,000	1,965,000
Mountain States Tel. & Tel. Co.	367,900,000	396,650,000
Western States Telephone Co.	5,210,000	6,485,000
Western Union Telegraph Co.	2,098,000	1,890,000