

OIL & GAS CONSERVATION COMMISSION
Meeting: March 21, 1975
Mr. John Bannister, Exec. Sec.



JFS
JFS
THE UNIVERSITY OF ARIZONA
TUCSON, ARIZONA 85721

DEPARTMENT OF GEOSCIENCES
TEL. (602) 884-1819

18 March 1975

Mr. John Bannister
Arizona Oil & Gas Conservation Commission
4515 North 7th Avenue
Phoenix, AZ 85013

Dear John:

I will be unable to attend the March 21, 1975 meeting.
I will be in the Deming, New Mexico area finishing the field
check of the thesis area of one of my students.

Sincerely,

Joseph F. Schreiber, Jr.
Professor and Assistant Head

JFS/cbm

RECEIVED

MAR 19 1975

O & G CON. COMM.



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
March 21, 1975
4515 N. 7th Avenue, Phoenix, Arizona

10:00 a.m. Hearing, Case No. 49

Immediately following hearing

Call to order

- 1. ✓ Approval of minutes of meeting of February 21, 1975
- 2. ✓ Report of Executive Secretary
- 3. ✓ Report of Enforcement Section
- 4. ✓ Report of Geology Section
- 5. Old Business - *Ins. forms*
- 6. New Business
- 7. Adjourn

Remind Cpl meeting is March 21

Ed W. [unclear]

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

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

Minutes of Meeting
February 21, 1975

Present:

Mr. Ralph W. Bilby, Chairman
Mr. W. Roger Hafford,
Vice Chairman
Mr. Robert A. Bledsoe, Member
Mr. F. Keith Benton, Member

Absent:

Dr. Geoffrey E. H. Ballard,
Member

The regular Commission meeting for the month of February, 1975 was called to order by Chairman Ralph Bilby at 10:00 a.m.

Minutes of the meeting of January 17, 1975 were approved as written.

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

Executive Secretary advised that a reply has been received to the letter written to Senator Fannin requesting that he investigate with the Bureau of Land Management the reason why neither competitive nor non-competitive geothermal leases have been granted on Federal land. Senator Fannin will contact the Bureau for information on their leasing program and will advise the Commission of their reply.

Out-of-state travel was approved for the Executive Secretary to attend a meeting of the Executive Committee of the Interstate Oil Compact Commission in New Orleans on February 28, 1975.

Director of Enforcement Section advised that the Commission can expect to hold a hearing at the March 21, 1975 meeting, as Clinton Oil Company wishes to drill a well in an unorthodox location in Apache County.

Dr. Allan Cree, who has been named by the American Association of Petroleum Geologists as an advisor to Senator Fannin on petroleum matters, advised the Commission that, in his opinion, the only chance for the United States to alleviate the energy situation is to endorse strip mining of coal. According to Dr. Cree, all other potential sources of energy, exclusive of oil and gas, are in stages of infancy and could not make a dent in the demands.

Chairman Ralph Bilby advised the Commission that a request, directed to all departments, was received from Governor Castro

Minutes of Meeting
February 21, 1975
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requesting that the current budget (1974-1975) be cut by 5% for the remainder of the fiscal year. This is not a mandatory reduction but rather a target, and monthly reports will be required for the remainder of the fiscal year to indicate what gains have been made. Since the first report was due February 10, 1975, Chairman Bilby advised that he had instructed the Executive Secretary to prepare and submit a report as the "staff's suggestion", to be approved by the Commission at the February 21, 1975 meeting. After discussion, the "staff's suggestion" of a 2.7% estimated reduction was adopted as the Commission's official estimate.

The Commission was also instructed by Governor Castro to cut the proposed budget for the 1975-1976 fiscal year by 10%. As the landlord for the Commission offices has demanded a 40% increase in rent for 1975-1976, an effective way to decrease the budget is to move to smaller, less expensive quarters. Executive Secretary advised that suitable quarters have been found at 8686 North Central Avenue. The property is owned by Diversified Investments and is on the list of locations supplied by the State Planning Office. The cost will be \$5.50 per foot per annum. The lowest bid to date for moving is an estimated \$959 for moving the office furniture to the Central Avenue location and \$1,008 for moving the earth samples to the storage building on East Van Buren which is loaned to the Commission by the State Department of Public Safety. By moving the earth samples to the storage location, less office space will be required.

Further aspects of reducing the budget the required 10% were considered and it was then moved and passed that the proposed reduction as prepared by the Executive Secretary be approved.

It was moved and passed that the Commission accept the rental offer of Diversified Investments for the office space at 8686 North Central Avenue, subject to approval of the Attorney General and the Planning Office.

Commission adjourned at 12:00 Noon to go into Executive Session.

APPROVED March 21, 1975

Ralph W. Bilby, Chairman

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Also present:

Dr. Allan Cree

Mr. A. K. Doss
State Land Department

Mr. Bill King
Arizona Republic

Dr. Joseph F. Schreiber, Jr.
Department of Geosciences
University of Arizona
Tucson, Arizona



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

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March 12, 1975

Memo: Commission
From: John Bannister, Executive Secretary

I would remind you that Clinton Oil Company will appear before the Commission at 10:00 a.m. on March 21st for a hearing requesting an unorthodox location for a well. I do not anticipate that this hearing will be very time consuming.

It should be pointed out that this is the first time a hearing is being held under the Commission's new statutes which provide for the person requesting the hearing to submit a filing fee of \$50 and to pay for the cost of publication and court reporter fees as soon as they are determined. It is anticipated that no unforeseen problems will result from this. I should mention this is ARS 27-517-A & C. As soon as possible after the hearing the Commission will bill Clinton Oil Company for the court reporter cost and publication costs. These funds, according to law, will then be put back into the account from which they were originally drawn by the Commission. The filing fee of \$50 will be credited to Clinton toward the total cost of the hearing. As an end result of this, the Commission should be able to hold its future hearings without cost except when the Commission, itself, calls a hearing or in the event the Commission must use an outside expert.

Following our last meeting I attended the Executive Committee meeting of the IOCC in New Orleans. A full report of this has been previously made to you.

A contract has been entered for the lease of what will be the Commission's new premises, i.e., Suite 106, 8686 North Central Avenue. The contract was approved by the Attorney General and by the Planning Division of the Department of Finance prior to execution. It is anticipated we will move into the new premises on or before April 15th. To help defray moving expenses, etc., the new landlord agreed we will owe no rental until June 1, 1975. That is, we will be given approximately one month

Memo: Commissioners
March 12, 1975
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and a half of free rent. This will allow us to accumulate funds to cover the cost of the moving van, etc.

Preparation of the building is proceeding smoothly and, although the new quarters will be smaller than the ones we are now occupying, I feel they will be quite adequate to meet our needs. As mentioned to you earlier, one way in which the Commission is saving money is by reducing rental costs. We are doing this by using a smaller amount of space made possible by storage of our earth samples in a quonset hut rented from the Highway Department. This will entail some inconvenience on the part of the staff but nothing we cannot live with.

I have just been informed that the Senate Budget Committee will meet this afternoon at 3:30 p.m. I will meet with them on the 1975-76 budget. I will report the results of this meeting to you as soon as possible.

Morton Brothers of Wyoming, with offices in California, notified us through their California office that they will make application to drill in the Sitgreaves National Forest in the very near future. As you will recall, I reported earlier some of the problems Morton was having with the Forest Service. Apparently the problems have been resolved. Morton has already made application with the USGS to drill in this area and it is anticipated their application will reach us by the first of next week. At this time, I do not have a specific location for this well.

Of the visitors to this office, some of the more important ones were Jack Evans, an attorney who will represent the Spurlock ranching interest in an attempt to establish that rights on Santa Fe Railroad land to helium gas passed to Santa Fe's grantee. This should be an interesting case. Mr. Evans came to this office seeking evidence that helium was treated and regarded separately from natural gas in spite of the statutory definition including helium in the definition of natural gas.

A Niles E. Sundling came to the office seeking broad classes of information on energy and water. Mr. Sundling did not indicate whom he represented but did say he felt that his principals were most interested in coming into Arizona. Mr. Sundling claimed to have had prior oil and gas experience in eastern United States, particularly in the New York area.

REMINDER - THE APRIL COMMISSION MEETING WILL BE HELD ON MONDAY, APRIL 21ST, HOPEFULLY AT OUR NEW LOCATION.



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

ACTIVITY REPORT

March 12, 1975

Memo from W. E. Allen, Director
Enforcement Section

In 1974, as in the preceding years, independent operators led the field in the number of wells drilled in the United States. The independent operators drilled and completed 25,289 wells out of a total of 33,470 wells drilled for a total of 75.6% of 1974 completions. The foregoing is not exactly news because it has always been the independent who has taken the lead in exploratory drilling. It does point out the need for the retention of the depletion allowance, especially for the independent. I believe that the change in legislation in the form of Senate Bill 1239, as recommended by this Commission, would be a definite incentive to the independent looking for new areas to explore.

You will recall that at the last meeting I was requested to try to get some information on the leasing of Federal lands for geothermal exploration. The Bureau of Land Management was contacted and I was informed that the acreage first offered for competitive bidding was in the Gillard Hot Springs area, T5S, R29E, Greenlee County. The issuance of these leases has been delayed because of conflicts between certain Federal agencies. The U. S. Corporation of Engineers has plans to build a dam somewhere within this designated KGRA. The Corporation of Engineers has announced willingness to allow the BLM to issue the leases and allow exploratory drilling to commence. The fly in the ointment is that the Corporation would have complete control over all activity within this area. Historically the United States Geological Survey has always had control over drilling activity on Federal lands and will not agree to this usurpation of powers by the core of engineers. Result--no leases have been issued.

The BLM has received 17 applications for noncompetitive leases in this same general area. As I understand it these leases have been issued. In January the BLM offered a lease on a competitive basis several miles northeast of the Gillard Hot Springs area and received absolutely no bids.

March 12, 1975
Activity Report - W. E. Allen
Page 2

Northwest Pipeline Corporation has not yet spudded its location in the SW/NW Section 28-T38N-R24E, Apache County. This location is approximately nine miles southwest of Rock Point, Arizona.

St. Joe Mineral is still drilling potash tests in the Navajo Springs area and Duval Corporation is waiting on a rig to resume exploratory operations in the same area.

At Mr. Hafford's suggestion, you will find a list attached of the people who have contacted me for various information. I have had no callers for the past several days as I have been on jury duty.

<u>DATE</u>	<u>NAME</u>	<u>COMPANY</u>	<u>SUBJECT</u>
2-25-75	Dean Barnes	Clinton Oil	Spacing, hearing
2-26-75	Rollo Pool	Petroleum Info.	Researching files
2-26-75	David Oliver	Federal Energy Admn.	Reserves & capacities
2-26-75	Paul Reyes	Horizon Movers	Moving estimates
2-27-75	Chuck Marquest	Diversified Invest.	Building lease
2-27-75	Paul Reyes	Horizon Movers	Information on move
2-27-75	Floyd Williams	Public Buildings	Surplus packing boxes
2-28-75	Ben Donnegan	Consultant (Albuq.)	Inform. on Duval Tests
2-28-75	Chuck Longshore	St. Joe Mineral	Permission to Plug #634
2-28-75	Jim Warnock	Energy Office	Re: Report to FEA
3-03-75	Hal Susie	B.L.M.	Info. on lsg. for geo.
3-04-75	Terry Sherman	Shell Oil	Pick up maps and operational procedures
3-04-75	John Bergquist	So. Calif. Gas	Production on various well fields
3-05-75	Daymon Gililland	N.W. Pipeline	Wells in Apache Co.
3-05-75	Walter Haught	Self	Mohave Gas Seepage
3-05-75	William Fisher	Self	Wells in Holbrook Basin
3-06-75	Bob Spurlock	Clinton Oil	Hearing procedure
3-07-75	Del Wiggins	Marathon	Dineh-bi-Keyah Prod.
3-07-75	Anne Little	Curtis Little	Bond - Lukachukai 1-14
3-12-75	Ned Krier	Duval Corp.	Well Information
3-12-75	David C. Hetzler	Urangesellschaft U.S.A., Inc.	Looking over files



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ACTIVITY REPORT

March 11, 1975

J. N. Conley
Director, Geology Section

PUBLICATIONS

Sales this past month totaled \$77.50. Persons, companies, and governmental agencies purchasing publications were:

Atlantic Richfield, Dallas, Texas
Southern Union Gas, Dallas, Texas
Shell Oil, Houston, Texas
Jim Sale, Midland, Texas
Travis Oil, Los Angeles, Calif.
Shell Oil, Denver, Colo.
Geological Dept., Cotter Corp, Golden, Colo.
Trio Petro, Denver, Colo.
Jas. O. Breene, Denver, Colo.
Minerals Exploration, Casper, Wyo.
Motorola, Phoenix, Ariz.
Federal Energy Adm., San Francisco, Calif.

Non-industry distribution of publications:

Arizona Water Commission
Environmental Protection Adm.
Arizona State University, Political Science Dept.
Illinois State University, Milner Library

INVESTIGATION PROJECTS

Photogeologic Analysis of Macroscopic Folds in the Colorado Plateau Province, Arizona, Dr. George H. Davis, Department of Geosciences, University of Arizona, principal investigator. This project, recommended by this Commission and partially funded by a NASA grant obtained through the Office of Arid Lands Studies (OALS), University of Arizona, is progressing very satisfactorily. The work map has been finished and turned over to a cartographer for preparation of plates for publication. Davis is preparing the final written report.

Activity Report
March 11, 1975
Page 2

The investigation of the Earth Resources Technology Satellite (ERTS) I (now named Landsat I) imagery, a thorough research of the literature, and a very extensive field check have established a system of regional lineaments in the Colorado Plateaus province of Arizona, Colorado, New Mexico, and Utah. Davis interprets these lineaments to represent the basic tectonic framework of the province. They are old, i.e. Precambrian, deep-seated planes of weakness which divide the province crustal plate into blocks. Periodic tectonic stress during geologic time has resulted in block interactions and adjustments producing geologic structures. There is also some evidence that these movements have controlled depositional environments.

The results of the investigation will furnish many clues to the location of potential hydrocarbon traps and mineral deposits.

Well Location Map No. 9. The Arizona State Legislature convened before we completed copy-ready material for the offset printing of the data tabulation to accompany the graphic portion of this map. When the Legislature is in session it is almost impossible to get any sizeable printing jobs performed because of the volume of House and Senate bills being introduced. However, we are proceeding to get the map lithographed this month.

Holbrook Area, Permian Coconino Structure Map. Elevation problems have delayed completion of this project. Approximately 209 water wells reaching the Coconino Sandstone have been posted on the map. Most of them are in areas where there are no hydrocarbon test holes to furnish subsurface structural control. Unfortunately, the elevations of many of these wells were determined originally by using barometric altimeters. Others were estimated from the Old Army Map Series topographic maps with a contour interval of 200 feet. Still others were estimated from preliminary editions of U. S. Geological Survey 7½-minute quadrangle topographic maps at varying contour intervals. To obtain better elevations for the computations of the Coconino sea level datums we have had to re-check all of the water well locations and some elevations of the oil, gas, and helium holes on the 7½-minute quadrangle topographic maps now available. We also are waiting on completion of several U.S.G.S. advance topographic maps in critical areas that should be available soon.

Basement Map. Assembly of the basic data for this map covering the Colorado Plateaus province of Arizona has been completed. A suitable base for a contour interpretation of the altitude of the basement surface will be completed in the near future. Several representatives of major oil companies have suggested that we prepare such a map. The final interpretation will be based on an integration of the subsurface well control, the Bouguer Gravity Anomaly Map of Arizona, the Residual Aeromagnetic Map of Arizona, and Dr. George Davis' fold map.

Paleozoic Era Thickness Map. Assembly of information for this map, which will cover the same area as the Basement Map, is well underway. This map, in conjunction with the Basement Map, will be useful to explorationists in making estimates of depths required to test all potentially hydrocarbon-productive Paleozoic reservoirs and in determining areas offering all or just some of the Paleozoic Systems (Permian, Pennsylvanian, Mississippian, Devonian, and Cambrian) represented in the province.

Computer Project. Arizona Resources Information Systems (ARIS) has a contract with a computer systems company in Denver, Colorado, to evaluate systems that might

Activity Report
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be useful to various State agencies and academia in the future. A series of demonstration-type of computer-produced projects are currently being prepared for these agencies: Oil and Gas, Game and Fish, Department of Transportation, and Department of Property Evaluation. The project for us involves the Dineh-bi-Keyah oil field in Apache County. ARIS envisions in the future a central computer facility storing data and offering a variety of computer-produced data, both graphic and tabulated. All of the data for our particular project has been delivered to ARIS.

Northern Arizona University. As previously reported, two graduate students for their Master's Theses are investigating the facies of the Paleozoic Mississippian and Devonian Systems in Northern Arizona. They expect to complete their theses prior to graduation next June. The results of these two studies will be very helpful to us in developing areas warranting exploration for oil and gas in the rocks of these two geologic systems. We have assisted these students in furnishing them well logs, drill-bit cuttings, and base maps.

Next year there will be three graduate students making studies in Northern Arizona who will produce information of value to us. The three studies will be of the Permian Kaibab Formation in the Strip Country, the Pennsylvanian System in the Black Mesa basin, and the Triassic System.

GEOHERMAL

A. K. Doss, Director Minerals Division, Arizona State Land Department, reports that some progress has been made toward having a geothermal lease sale in April or May of this year.

In the section of this month's report pertaining to visitors, phone, and mail inquiries, I discuss briefly the U. S. Geological Survey's exploratory program for possible geothermal resources in the San Francisco volcanic field area near Flagstaff. The Department of Geology of Northern Arizona University is assisting in this project in doing some surface geology mapping.

EXPLORATION & LEASING

James Pickett, a local oil and gas lease broker, has informed me that Home Oil Co. plans to make a seismograph survey of their block of leases in northern Mohave County next summer. This company's block, consisting of 175,000 acres of leases, is situated west of the Hurricane fault.

He also mentioned that he had heard rumors, unconfirmed, that some oil and gas leases (fee lands) were being taken by a major company in southeast Arizona. Dean F. Smith, another local lease broker, also mentioned this rumor to me.

Some minor lease acquisitions of fee lands have been reported recently in the southeast part of the Holbrook basin area.

This Section has not received any information as to when Webb Resources plans to drill the seven oil test holes in the Holbrook area reported previously.

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March 11, 1975
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I have reported previously that Wichita Industries had contacted the U. S. Forest Service with respect to making a gravity meter survey later this year of a 200,000-acre lease block covering the Morman anticline southeast of Flagstaff. This block was taken by James Taylor, Mountain States Exploration Co., Denver, Colo. I heard recently that Taylor took this block for the account of a subsidiary company of Wichita Industries.

GENERAL

Dr. H. Wesley Peirce, Arizona Bureau of Mines, has informed me that a bill (No. 1326) has been introduced in the State that would merge the Oil and Gas Conservation Commission into the Arizona Bureau of Mines. We do not yet have a copy of the bill. It was introduced by Senator L. Davidson. *Dist. 14, Tucson*
Lucy

H.B. 2066, which was discussed briefly at the last Commission meeting, was introduced by Representatives Lewis of District 17 and Pacheco of District 7. The bill, I believe, was introduced at the request of William Dresher, Director of the Arizona Bureau of Mines.

VISITORS

Jean Warner, Resource Development Specialist, Federal Energy Administration (FEA), 111 Pine St., San Francisco, Calif. 94111, and George A. Tweedy, Federal Liaison Officer, State of Arizona, Federal Energy Administration, 222 N. Central, Phoenix, Arizona 85003.

Miss Warner described herself as a so-called natural gas specialist. Apparently the FEA office in San Francisco lacks maps, production statistics, and general information pertaining to the natural gas industry. She was on a junket to gather information, maps, charts, statistics, and allied material.

Mr. Tweedy was acting as a guide and mentor to Miss Warner during her stay in Phoenix.

Gerald Kimmitt, Political Science Department, Arizona State University, Tempe, Arizona, has a grant to study the policies of the various State agencies involved directly or indirectly with natural gas resources, production, transmission facilities, and exploration for gas resources.

Nils Sundling, Phoenix, Arizona ... I am not sure just what Mr. Sundling wanted. He said that he was referred to us for water well information by the local U. S. Geological Survey office. He did take notes as to what kind of water well information we have and sources of additional information. He also asked questions about the oil and gas possibilities of the State. He said that he was a retired president of an oil company in New York City but did not seem to be very knowledgeable with respect to oil and gas field development maps.

Gerald E. Marrall, Regional Exploration Manager, Minerals Exploration Co. (subsidiary of Union Oil Company of California), Box 2674, Casper, Wyoming, and J. E. Sherbourne, geologist, same firm. These gentlemen were interested in sources of information pertaining to an old mining area in the western part of the State and the availability of good maps and photography.

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Bill Fisher, Superior Minerals, Phoenix, was looking for subsurface data on the Redwall Limestone (Mississippian age) in the St. Johns' area. It seems that Salt River Project will construct a new coal-burning power plant at St. Johns and they are looking for a supply of limestone to be used as a flux at this plant and at the Arizona Public Service plant in Cholla. The Cholla plant will be expanded appreciably. Limestone from the Cholla plant now comes from an outcrop of the Redwall in the Prescott area.

Fortunately we had just the data that Mr. Fisher wanted in the way of unpublished data that had been put together and mapped out by Ed Koester.

MAIL INQUIRIES OF INTEREST

Ted Sheldon, Trio Petro Inc., 788 Lincoln Tower, 1860 Lincoln St., Denver, Colo. 80203, ordered several of our publications. His order indicated that he is interested in the Colorado Plateaus province of the State. I know from past conversation with him that he has a great interest in the potentialities of the Kaiparowits basin of Utah, a small portion of which extends into Arizona.

Reid Waltman, Exploration Manager, Jack Grynberg and Associates, 1050 17th St., Suite 1950, Denver, Colo. 80202, was interested in what kind of information we had and other sources of information pertaining to northern Mohave County, Arizona. His firm has a lease block of approximately 600,000 acres north of Township 35 North between the Grand Wash and Hurricane faults. The Arizona portion of the block is almost solid; the Utah portion consists of scattered leases.

Jack Grynberg & Associates, in addition to customary operations, make large acreage plays in frontier areas, such as Isreal, offshore western Africa, and Central America. They do geological and geophysical work to develop prospects and then promote drilling exploration.

Both the Land and Geological Departments of Phillips Petroleum Co., Odessa, Texas, have inquired about our publications. Apparently this office is responsible now for the Basin and Range province of Arizona; the Denver office previously handled the entire State.

Activity Report
March 11, 1975
Page 6

TELEPHONE INQUIRIES OF INTEREST

Ed Wolf, Geologist, U. S. Geological Survey, Center of Astrogeology, Flagstaff, Arizona, stated that he was attempting to gather geological and geophysical subsurface information that would help the Survey's geophysicists to better interpret the results of a seismic survey in the San Francisco volcanic field. He was particularly interested in knowing if there were any unplugged, open holes in the general area reaching old Paleozoic or Precambrian rocks in which a probe could be run. There are no such holes that were drilled for oil or gas, but I was able to refer him to several deep water wells that might be open.

This seismic survey and a widespread gravity meter survey are a part of a U. S. Geological Survey project investigating potential geothermal resources in the area. I have notified Dr. John S. Sumner, Geophysical Laboratory, Department of Geosciences, University of Arizona, of these completed surveys, just in case he did not know of them, with the thought in mind that perhaps he could get the gravity data for incorporation into the Bouguer Gravity Anomaly Map of Arizona. This map was published with funds obtained by this Commission from the Four Corners Regional Commission. You may recall that this project and others were presented to Governor Williams at a meeting arranged by Mr. Ralph Bilby.

R. E. Sharrock, Gas Exploration Manager, Southern Union Gas Company, Fidelity Union Bldg., Dallas, Texas, was interested in knowing what sort of information we had that would help him in an investigation of the natural gas potentialities in northeastern Arizona. Subsequently he ordered some of our publications.

James O. Breene, Jr., 528 Patterson Bldg., Denver, Colo. 80202, called in regard to more information as to the quality of some of the oil shows in southeastern Arizona reported in Arizona Bureau of Mines Bulletin 182 and in our Report of Investigation No. 3. He visited this office this past August, expressing an interest in the oil and gas potentialities of southeastern Arizona. Since then he has acquired some oil and gas leases, location not known, through a local lease broker named Dean F. Smith. He recently purchased five more copies of R. I. No. 3, Geophysical and Geological Investigation of Potentially Favorable Areas for Petroleum Exploration in Southeastern Arizona.

Breene is a petroleum geologist who develops drillable prospects and sells them to independent operators and small companies.

During the past few months interest in the general Holbrook area seems to be increasing, based on phone and other inquiries for publications and information. The most recent phone inquiry was from Jim Sale, Midland, Texas.

An engineer (Lucas?) of the U.S. Corps of Engineers, Phoenix, was interested in some information concerning the availability of geophysical information in the area where Geothermal Kinetics Systems, Inc., drilled two deep test holes. He was particularly interested in what kinds of exploration tools were used in determining the sites for the two geothermal tests.

JNC:os


J.N.C.

MONTHLY FINANCIAL REPORT

RECEIPTS MONTH OF <i>Feb 1975</i>	CLASSIFICATION	APPROPRIATED RECEIPTS	UNAPPROPRIATED RECEIPTS	TOTAL ALL RECEIPTS YEAR TO DATE
-0-	1 Permits to Drill			
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	10			
	11			
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-0-	TOTAL CURRENT MONTH RECEIPTS		-0-	XXXXXX
XXXXXX	TRANSFERS IN			
XXXXXX	BALANCES BROUGHT FORWARD		3,676.83	XXXXXX
	TOTALS - MONTH AND YEAR TO DATE		3,676.83	400.00

CLAIMS PAID MONTH OF <i>Feb 1975</i>	FUND TITLES	TOTAL AMOUNT AVAILABLE YEAR TO DATE	CLAIMS PAID YEAR TO DATE	OUTSTANDING ENCUMBRANCES	UNENCUMBERED BALANCE
8,723.10	1 Personal Services	89,698.00	72,849.48		16,848.52
1,295.06	2 Emp. Related Exp.	11,690.00	8,994.87		2,695.13
1,370.10	3 Other Operating Exp.	32,556.13	24,024.07	5,993.15	2,538.90
346.72	4 Prof. & Outside Serv.	2,435.85	2,110.44	-0-	325.41
979.37	5 Travel - State	7,425.00	5,985.36	935.21	504.43
-0-	6 Travel - Out of St.	3,200.00	2,310.33	347.47	542.20
-0-	7 Cap. Outlay - Equip.	7,100.00	3,722.83	-0-	3,377.17
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12,714.35	TOTALS	151,104.97	119,997.38	7,275.83	23,831.76

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 <i>Feb 1975</i>			
1,650 00	7111	1	Per Diem: Commission Members	1			
71,199 48	7112	2	Salaries: Employees	2	8,723 10		
		3		3			
221 04	7151	4	Industrial Insurance	4			
126 85	7152	5	Unemployment Insurance	5	67 77		
3,467 34	7153	6	F.I.C.A.	6	570 30		
4,087 14	7155	7	Retirement	7	500 74		
900 00	7156	8	Health Insurance	8	120 00		
192 50	7159	9	Personnel Comm.	9	96 25		
		10		10			
	7215	11	Professional Services: Engineer	11			
2,110 47	7219	12	Professional Services: Other	12	346 72		
		13		13			
1,158 00	7221	14	Travel-State: Mileage	14	131 70		
2,711 50	7222	15	Subsistence	15	680 00		
60 00	7223	16	Public Transportation	16			
1,626 91	7224	17	Vehicle Expense	17	165 97		
428 95	7225	18	Reg. Fees; Parking; etc.	18	170		
		19		19			
787 00	7232	20	Travel-Out of State: Subsistence	20			
1,197 86	7233	21	Public Transportation	21			
1 02	7234	22	Airport Parking	22			
324 45	7235	23	Reg. Fees; Telephone; etc.	23			
		24		24			
16,645 14	7251	25	Occupancy: Office Rent	25			
	7261	26	Warehouse Rent	26			
	7263	27	Maintenance & Repairs	27			
425 00	7272	28	Mtn. & Repairs: Furniture & Equipment	28			
2,041 83	7280	29	Office Supplies	29	213 94		
1,198 50	7280.1	30	Orthophoto Quads.	30	799 00		
281 61	7300	31	Field Supplies: Film; Am.Strat; P.I.; etc.	31	20 00		
208 76	7331	32	Printing: Reports; Large Maps; etc.	32			
379 47	7332	33	Legal Advertisement	33			
46 25	7333	34	Court Reporter	34			
559 24	7334	35	Postage	35	150 00		
1,788 97	7335	36	Telephone	36	172 16		
	7337	37	Drayage; Express; etc.	37			
61 80	7339	38	Rental, Misc.	38			
87 50	7360	39	Dues & Subscriptions	39	15 00		
		40		40			
189 32	7431	41	Capital Outlay: Office Equip.	41			
	7434	42	Spec. Equip. (Geol.)	42			
3,533 51	7436	43	Automobile	43			
		44		44			
250 00	7913	45	Revolving Fund	45			
		46		46			
		47		47			
		48		48			
		49		49			
		50		50			
		51		51			
		52		52			
		53		53			
		54		54			
		55		55			
119,997 33		TOTAL			12,717 35		

OFFICE

DO NOT WRITE BELOW THIS LINE

FIELD



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

March 5, 1975

Memo: Commissioners
From: John Bannister

With your monthly production report you received a copy of Notice of Hearing, Case No. 49. In the event you may have overlooked this, please be advised that Clinton Oil Company will appear before the Commission on March 21, 1975 at 10:00 a.m. to request unorthodox location for a well which will be located in the SW/4 SW/4 of Section 23, Township 41 North, Range 30 East. Publication of this notice is now being made.

Governor Castro's staff requested that I report on the meeting of the IOCC Executive Committee, inasmuch as they were not too familiar with what this organization does. Consequently, I am enclosing a copy of my report to the Governor's office, for your information.

NOTICE OF HEARING

CASE NO. 49

Notice is hereby given to all interested parties that the OIL AND GAS CONSERVATION COMMISSION, STATE OF ARIZONA, will hold a hearing on the motion of CLINTON OIL COMPANY at 10 a.m. on March 21, 1975, at its office at 4515 North 7th Avenue, Phoenix, Arizona, to consider applicant's request for an unorthodox location, in exception to Rule 105A of its rules and regulations, requested location to be the SW 1/4 of SW 1/4, Section 23, T41N, R30E, G. & S. R. M., Apache County, Arizona.

OIL AND GAS CONSERVATION COMMISSION
STATE OF ARIZONA

Ralph W. Bilby, Chairman

Done this 3rd day of March, 1975
at Phoenix, Arizona

ATTEST

John Bannister
Executive Secretary



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

SUMMARY SHEET

March 4, 1975

To: Mr. Carr Phalen

From: Oil & Gas Conservation Commission
John Bannister, Executive Secretary
271-5161

Introduction: Report of meeting of Executive Committee,
Interstate Oil Compact Commission

Issues: Resolution favoring release of price
control of enhanced recovery oil and
other matters

Position: The Resolution adopted is in the best
interest of Arizona



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

March 4, 1975

Governor Edwin Edwards of Louisiana, Chairman of the Interstate Oil Compact Commission, called a meeting of the Executive Committee of that body in New Orleans on February 28, 1975. In attendance were representatives of the Governors of Arizona, Arkansas, California, Colorado, Illinois, Kentucky, Louisiana, Mississippi, Nebraska, New Mexico, Ohio, Oklahoma, South Dakota, Texas and West Virginia.

The financial report was made and approved. The Compact is in strong monetary condition. (Arizona's contribution of \$1,000, payable from the Governor's budget, has not been received for 1975.) An audit of the Compact by Thomas & Co., Tulsa, Oklahoma, for the year ending 12-31-74, showed all to be in order.

Chairmen of the various standing committees of the Compact were appointed by Governor Edwards. John Bannister, Arizona, was again appointed as Chairman of the Environmental Protection Committee.

Many governors have not as yet appointed their "official representative" and these positions will be announced as soon as possible.

At the request of the Federal Energy Administration, the I.O.C.C. did a study of the effect of freeing price control on enhanced recovery oil. (Enhanced recovery oil is oil that would not have been produced unless artificial aids had been applied - such techniques as water-flood, in situ combustion, gas-flood, etc.) The report concludes that daily production in the United States would rise by 350,000 barrels per day and that 10 billion barrels of oil would be added to the nation's reserve. In consequence, a resolution was passed to request the President and the various federal governmental agencies to deregulate the price of enhanced recovery oil.

Governor Edwards advised the meeting that the I.O.C.C. is an effective political arm that can make itself felt in Washington, D.C. through the governors who are members. Governor

Edwards indicated that he will advise member governors as to the impending legislation in Washington that might affect oil and gas matters, so that the governors may in turn alert their state's congressional delegation.

In addition to the above, many in-house items were considered. The forthcoming meeting of the I.O.C.C. in Charleston, West Virginia, June 22-25, 1975, was discussed.

The plans for the December 7-10, 1975 meeting in Birmingham, Alabama, were discussed, and Los Angeles was chosen as the site for the first I.O.C.C. meeting to be held in California. The date will be June, 1976. San Antonio, Texas will be the site of the December, 1976 meeting.

As chairman of the Environmental Protection Committee, I called a meeting of our Program Committee in order to consider our June, 1975 presentation. Plans under way indicate that this committee will again present an outstanding and meaningful program.

Respectfully submitted,

John Bannister
John Bannister
Executive Secretary