

OIL AND GAS CONSERVATION COMMISSION

Minutes of Meeting

July 8, 1959

The first meeting of the Oil and Gas Conservation Commission was called to order at 2:00 P.M., Wednesday, July 8, 1959, in the formal office of Governor Paul Fannin, Phoenix, Arizona.

Commission members present for the July 8, 1959 meeting were:

Ernest Chilson	Dr. Charles Kalil
William Kimble	Keith Walden
Malcolm Wharton	

Other people in attendance:

The Honorable Obed M. Lassen, State Land Commissioner
Senator Lynn Lockhart
The Honorable Paul Fannin, Governor

The meeting was called to order by Governor Paul Fannin, who acted as temporary Chairman. Virginia Kochan acted as temporary Secretary.

A motion was made by Mr. Walden to nominate Mr. Malcolm Wharton as Chairman of the newly created Oil and Gas Conservation Commission. The motion was seconded by Mr. Chilson. The vote was unanimously in favor of Mr. Wharton and he was elected Chairman of the Commission.

A motion was then made by Mr. Chilson and seconded by Mr. Kimble to nominate Dr. Charles Kalil as Vice-Chairman. The vote was unanimously in favor of Dr. Kalil as Vice-Chairman.

As the first order of business, Chairman Wharton read the following order to be acted upon:

"Action taken by the Land Commissioner during the interim period July 1, 1959 - to date, in the discharge of the duties and responsibilities prescribed by Article I, Chapter 4, Title 27, Arizona Revised Statutes:"

A discussion followed regarding the necessity for ratification of above and Mr. Kimble made a motion that this action be ratified. It was seconded by Mr. Walden and the motion carried.

Chairman Wharton then read the second order of business: namely:

"Balance Statement of the Oil and Gas Conservation Fund reflecting accountability."

A motion was made by Dr. Kalil that this be approved and sent to Margaret Griffin. The motion was seconded by Mr. Chilson and carried.

Commissioner Lassen advised that he and his employees presently are all under bond, and suggested the newly formed Commission be bonded as well.

Dr. Kalil moved that:

"All active members of the Commission be bonded, as well as the Executive Secretary, for \$10,000 each; and, the regularly employed clerical personnel of the Oil and Gas Commission be bonded for \$2,000 each. Others to be bonded, at the discretion of the Commission, as the need arises."

This motion was brought forward as an advisory motion and it was seconded by Mr. Chilson and carried.

Governor Fannin presented Chairman Wharton with his entire file on Oil and Gas Commission applicants. Dr. Kalil did likewise.

Commissioner Lassen advised the members that he presently has two competent employees, Mr. Ryan and Mrs. Bates, and a decision will have to be made as to their salary provisions, as well as their employment. Mr. Ryan, is prepared to discuss the tentative budget with the members of the Commission at any time convenient to them. A discussion followed as to the advisability of retaining these two employees on a temporary basis until such time as an Executive Secretary is selected. Commissioner Lassen also advised that he has been working with the USGS and, just yesterday, signed a contract with them for a one year period to do work up north.

A further discussion was held on obtaining office space and it was decided that having an office adjoining or in the State Land Department office, would be most advantageous as it will be necessary to constantly refer to records now being kept by the State Land Department.

As for the meeting place of the Commission, Mr. Lassen agreed, if his office is given ample notice, it would be acceptable to meet there. The Governor offered his conference room as well.

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Mr. Lassen advised the salaries of both Mr. Ryan and Mrs. Bates to be approximately \$6,000 per year and \$300 per month respectively. Also Mr. Lassen advised he was ready to turn over the car, desks, etc. (as per attached schedule), and other items as formerly agreed upon, to the members of the Commission.

PRESENT
SALARIES
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It was agreed that Dr. Kalil and Chairman Wharton will get together next week to thoroughly discuss the budget.

Mr. Walden moved:

"That in the interest of continual and smooth transmission of this Commission being transferred from the Land Department, that the people employed to do this, continue on as they have, in the space which has been used, for the next 60 days, beginning July 1, with the administrative matters to be handled by the Chairman."

This motion was seconded by Dr. Kalil and carried.

It was further discussed as to what becomes of the \$11,063.25 left over from the \$25,000 appropriation for the year 1958-1959. Mr. Lassen stated that this amount of money would automatically revert to the general fund of the State.

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Further discussion was continued regarding the salary to be paid the employees now in Mr. Lassen's employment, as well as that of the new Executive Secretary. It was agreed that immediate action was to be taken on the obtaining of an Executive Secretary and the Governor suggested working very closely with the Interstate Oil and Gas Compact, of which the State is a member, in order to benefit from their experience. It was further agreed, that the Executive Secretary, need not be a petroleum engineer or geologist but definitely must have other qualifications of diplomacy, tact, loyalty and ability to get along with people, together with a general knowledge of leases, land, etc.

The time and place of the next meeting was agreed on, to be, Wednesday, July 29, 1959 at 9:00 A.M. and it was further agreed that Wednesday was an acceptable day for all members to meet.

ADJOURNMENT: Dr. Kalil made a motion to adjourn the meeting and it was seconded by Mr. Walden. The meeting of the Oil and Gas Commission was adjourned at 5:10 P.M.

Respectfully submitted,

By: Virginia C. Kochan,
Temporary Secretary

APPROVED July 29 1959

Chairman

B. Parks Kell, M.D.

Vice Chairman