

OIL AND GAS CONSERVATION COMMISSION

Minutes of Meeting

October 28, 1959

The regular monthly meeting of the Oil and Gas Conservation Commission was called to order at 9:05 A. M., at Suite 312, 3500 North Central Avenue, by the Vice-Chairman, Dr. Charles Kalil.

Commission Members Present: Charles Kalil, M. D.
Mr. Ernest W. Chilson
Mr. William E. Kimble
Mr. R. Keith Walden

Commission Member Absent: Mr. M. F. Wharton

The meeting was called to order by Dr. Kalil, Vice-Chairman, in the absence of Mr. M. F. Wharton, Chairman.

The minutes of the previous Board Meeting of the Commission, held September 23, 1959, were read by Mr. Jerome, Executive Secretary, at the request of Dr. Kalil, Vice-Chairman.

Dr. Kalil noted that there was a quorum present.

Mr. Kimble moved that the minutes of the previous meeting be amended as follows:

"That it was agreed by the Commission that the Executive Secretary, D. A. Jerome, would write to the companies now operating in the State, advising them of the necessity of their complying with the Rules and Regulations of the Commission, and their failure to do so would result in regulatory action being taken by the Commission."

Dr. Kalil seconded the motion.

The motion carried unanimously.

The next order of business on the Agenda was the business transacted during the past month; Dr. Kalil asked Mr. Jerome to report on same to the Commission.

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Mr. Jerome reported that he had talked to Senator Lynn Lockhart, regarding the Holbrook Editor. Mr. Jerome also advised that he met with the two Mr. Zeckendorf's and made a trip to Clarkdale, Arizona; also that he met with Governor Fannin and Messrs. Zeckendorf and discussed the program of the gas pipeline and gas reserves.

Mr. Jerome stated that Senator Lynn Lockhart had discussed a trip of the Commission to Window Rock, Arizona, to visit with the Navajo Tribal Council and their Chairman, Honorable Paul Jones, regarding mutual cooperation. Governor Fannin's letter to the Navajo Tribal Council was read by Mr. Jerome.

Interest of the industry was related to the Commission.

The Holbrook and Winslow newspaper's criticism of the Commission was read by Mr. Jerome and discussed.

An article from World Oil, of interest to the Commission, was read.

The Governor suggested that someone should be selected to represent him at the Interstate Oil Compact Commission Annual Meeting, to be held in Philadelphia, Pennsylvania, December 2-5, 1959. It was the consensus of opinion, of the Commissioners present, that Mr. D. A. Jerome, Executive Secretary, attend the meeting in Philadelphia, representing Governor Fannin and the Oil and Gas Conservation Commission.

Mr. Albert E. Sweeney, Jr., Director, Technical Services, of The Interstate Oil Compact Commission, attended our meeting, and explained the functions and aims of the Interstate Oil Compact Commission.

Mr. Walden, stated, for the Commission, that they wished to give the Executive Secretary a "Vote of Confidence", and that they were very pleased with the management of the office, to date.

The Cooperative Agreement between the Commission and the U. S. G. S. was reviewed and was prepared in final form, terminating said contract. All Commissioners present executed said notice of termination, dated October 28, 1959.

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Dr. Kalil introduced Mr. E. A. Polumbus, Consulting Petroleum Engineer, from Denver, Colorado, whom he had hired to discuss with the Commission its Rules and Regulations.

After a round table discussion, in the nature of questions and answers, the meeting adjourned for lunch.

After lunch, the matter of paying Mr. Polumbus' fees was discussed and his fee of \$200.00 was passed, on motion of Mr. Walden.

Mr. Kimble seconded the motion.

Motion was approved.

It was further agreed by the members of the Commission present, that henceforth no professional service would be engaged and/or paid for by the Commission, unless a majority of the Commissioners agreed to the expenditure.

The Pinta Dome Helium Plant was discussed, and also the confidential nature of both the plant and Eastern Petroleum Companies plans.

The consensus of opinion was that these matters were given in confidence, and should be treated as confidential.

Mr. Jerome advised that a request has been received from Hungi-ville-Ewing Oil Investments, Inc. for copies of all electric logs. Mr. Jerome explained the location of the logs; partially in Flagstaff, Tucson and Phoenix. After discussion by the Commissioners, it was the consensus of opinion that this would be an unwise practice, and should not be initiated, unless an indemnity bond protected the Commission.

Motion was made by Mr. Kimble, as follows:

"That the Executive Secretary be instructed, at his earliest opportunity, to circularize, 'within the Rocky Mountain Area, those persons engaged in the oil and gas industry, who are considered to be potentially interested in the State of Arizona, relative to their attitude on the presently existing Rules and Regulations of this body, and particularly their attitude towards spacing of oil and gas leases, and their attitude regarding proration."

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Motion was seconded by Mr. Walden.

Motion carried unanimously.

Mr. Walden moved that because of the Thanksgiving Holiday, the regular meeting of the Oil and Gas Conservation Commission be changed from November 25, 1959 to November 18, 1959.

Motion was seconded by Mr. Kimble.

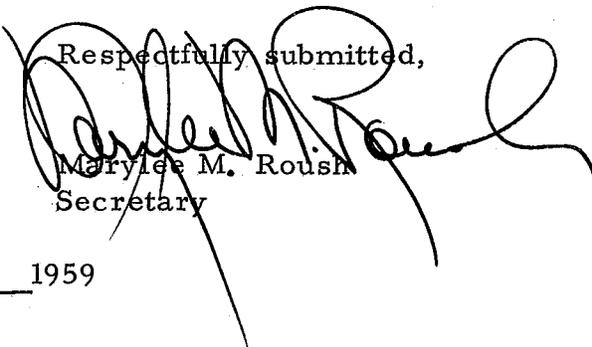
Motion carried unanimously.

Mr. Walden moved that the meeting be adjourned.

Mr. Kimble seconded the motion.

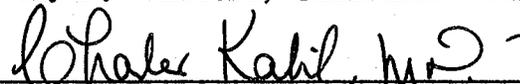
The meeting was duly adjourned, by Dr. Kalil, Vice-Chairman, at 2:30 P. M.

Respectfully submitted,

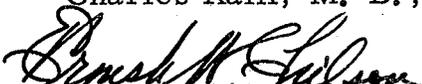

Marylee M. Roush
Secretary

APPROVED Nov. 18th 1959

M. F. Wharton, Chairman - Absent

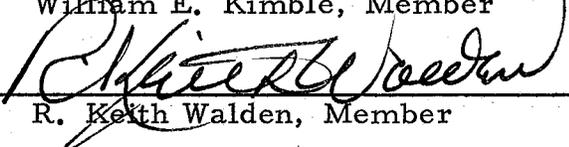


Charles Kalil, M. D., Vice-Chairman



Ernest W. Chilson, Member

William E. Kimble, Member



R. Keith Walden, Member