

OIL AND GAS CONSERVATION COMMISSION

Minutes of Meeting

February 24, 1960

The meeting of the Oil and Gas Conservation Commission was called to order at 9:15 A. M., at Suite 312, 3500 North Central Ave., Phoenix, Arizona, by Mr. M. F. Wharton, Chairman.

Commission Members Present: Mr. Ernest W. Chilson
Charles Kalil, M. D.
Mr. R. Keith Walden
Mr. M. F. Wharton

Commission Members Absent: Mr. William E. Kimble
Mr. Obed M. Lassen,
Ex-Officio Member

Mr. M. F. Wharton, Chairman, presided at the meeting.

The Minutes of the previous Board Meeting of the Commission held December 16, 1959 were presented and approved unanimously.

Mr. Wharton asked the Executive Secretary to report to the Commission the activities since the last meeting of the Commission.

Mr. Jerome, the Executive Secretary proceeded to review the British-American Oil Producing Company matter. British-American Oil Producing Company asked for an exception to the regular spacing program (oil well), as defined by the general Rules and Regulations. The Executive Secretary read a letter, dated January 22, 1960 and another dated February 6, 1960, from British-American, "Requesting Permission to Drill an Unorthodox Location etc....." The Commission was advised further, by the Executive Secretary, that this well (British-American) is being drilled on Indian land.

The Executive Secretary then read an "Opinion, submitted by William E. Kimble, Commissioner, dated February 4, 1960, with reference to the Commissions jurisdiction over wells drilled on federal lands, and/or Indian Lands.

After discussion, it was the consensus of opinion of the Commission that the matter should be referred to the Attorney General, to decide whether a Special Hearing would be necessary to legally absolve the Commission, and the British-American Oil Producing Company from future redress.

A motion was made by Keith Walden, as follows:

"That the Executive Secretary be instructed to prepare a memorandum, stating the position of the Commission, with reference to issuance of a permit to the British-American Oil Producing Company for Navajo

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"C" #1 - SW SW Sec. 5-40N-30E, Apache County, Arizona, and that the Attorney General render an opinion regarding the necessity of a Special Hearing.

Mr. Chilson seconded the motion.

The motion carried unanimously.

The Chairman asked W. F. Maule to review the applications to drill, which have been approved, since the last meeting of the Commission.

After discussion, Dr. Kalil made the following motion:

"That the policy be established that Permits to Drill be approved and signed by the Chairman, or the Vice-Chairman, in the Chairman's absence, or with the Chairman's approval, and that the Plugging and Abandonment procedures be delegated to the Petroleum Engineer."

The Executive Secretary discussed the difficulty of service companies getting across through "ports of entry" on a temporary basis, to service wells in the state.

After discussion, Mr. Chilson made the following motion:

"That the Executive Secretary contact the State Highway Commission, to establish a policy, whereby service companies could enter the state, on a temporary basis, to service wells, so that in the future it could be handled in a routine manner."

Mr. Walden seconded the motion.

Motion carried unanimously.

There was a general discussion regarding the Rule 204, "Use of Abandoned or Dry Wells for Fresh Water Wells, by the land owner or grazing lessee.

Mr. Wharton instructed the Executive Secretary to follow through on this subject with the Land Department, Ground Water Division, and report back to the Commission, at their next meeting, on a plan that can be used, cognizant of the points that have been discussed.

The Executive Secretary was then asked to give a report of his Washington trip.

There was a discussion of the necessity for a safe, to be used for confidential papers of the Commission.

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It was the consensus of opinion that the Executive Secretary be directed to obtain the cost of used and new safes and also fireproof files, and report this information to the Commission, at their next meeting.

The form letter, which was compiled by the office of the Commission, to be sent to active and inactive operators of wells drilled in Arizona, was distributed and discussed.

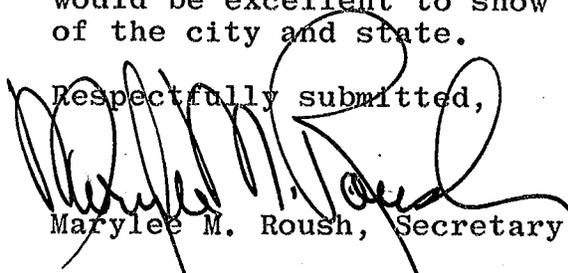
The Chairman noted that a motion by the Commission would not be necessary, in order to approve the letter for distribution.

Mr. Walden made a motion that the meeting be adjourned.

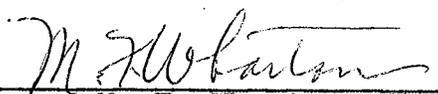
Mr. Chilson seconded the motion.

The meeting then adjourned at 1 P. M. and the Commissioners were shown a film, entitled "Air Drilling", given to the Commission office for use by the Rutledge Drilling Company Santa Fe, New Mexico. The Commission agreed that this film would be excellent to show to the various civic organizations of the city and state.

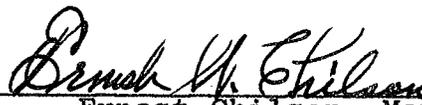
Respectfully submitted,

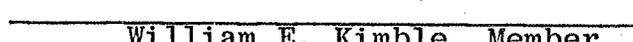

Marylee M. Roush, Secretary to Mr. Jerome

APPROVED April 27, 1960

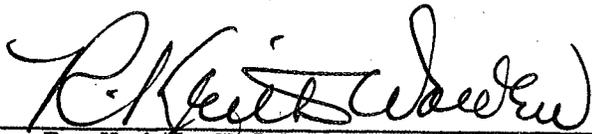

M. F. Wharton, Chairman


Charles Kalil, M. D., Vice-Chairman


Ernest Chilson, Member


William E. Kimble, Member

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R. Keith Walden, Member

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