

OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

July 26, 1961

The regular monthly meeting of the Oil and Gas Conservation Commission was called to order by the Chairman, Anthony T. Deddens, at 9:45 A.M. in the office of the Oil and Gas Conservation Commission, 3500 North Central Avenue, Phoenix, Arizona.

PRESENT:

COMMISSIONERS

Anthony T. Deddens  
R. Keith Walden  
Charles Kalil, M. D.  
Lynn Lockhart  
Robert B. Heward

OTHERS

D. A. Jerome, Executive Secretary  
Brooks Pierce, Petroleum Geologist  
Lawrence Huerta, Asst. Attorney General  
Senator Morris Richards  
Bill King, Republic Reporter

The first order of business was the reading of the minutes of the meeting of June 28, 1961, by the Executive Secretary; the minutes were incomplete because the tape recording, for a part of the meeting, was defective and the minutes failed to show the action taken to increase the salaries of Mr. Jerome, Mr. Pierce and Miss Eremie, the office secretary.

Dr. Kalil raised the objection that he thought the action to raise salaries covered only the salary of the office secretary. Whereupon the following discussion took place by the members of the Commission:

Kalil: "I know that the majority will count, and I intend that my reasons for the actions I have taken be a part of this record, because I distinctly remember that you brought up an addition item under these things down here...which you have a right to do. There are matters missing from the minutes. I am convinced that it was not intentional. Any other matters, which you have a right to, you discussed, and there was a broad general discussion concerning salaries--concerning salaries of all three people, and that you felt that there should be an increase in salaries and you stated amounts--and I distinctly remember that when I cast an affirmative vote with the rest of the members of this Commission, concerning the secretary, not the Executive Secretary, Petroleum Geologist, or any other, but a particular one, I concurred, and it was not my understanding that it included all three members."

Lockhart: "Well, it is my understanding, and I thought it was clear, and I thought it was unanimous for the three."

Kalil: "No, Sir."

Walden: "I concur with you, Lynn, completely."

Kalil: "Well, as a matter of fact, I think it is a good policy that we discuss it among the members of the Commission, among themselves, and turn the tape recorder off, and that the employees might not be present--I think it is good tactics."

Deddens: "Well, what'll we do? What did we do last time?"

Kalil: "Just a minute. Here is what we are faced with now. There are matters missing from the minutes--I am confident it was not intentional and it is just a question now of amending these minutes."

Lockhart: "It is my thought and I had no idea that you had any objection at all. If you did, to my knowledge you didn't raise it."

Kalil: "I did not have that understanding."

Deddens: "It is my definite recollection that there was unanimous concurrence on the part of all with respect to each and every raise which was proposed by the motion."

Walden: "There was only one motion to me."

Deddens: "I don't remember whether there was one or more motions, but it was my understanding that there was a concurrence by all four members of the Commission. I don't believe the Chairman actually voted one way or another. I do recall that it was unanimous, and I certainly would have voted in favor of it if there had been any point in the Chairman's doing so."

Kalil: "Majority vote will prevail. I do not intend that the record show that I voted for all raises. I have that right to express myself and I know distinctly that I did not."

Walden: "Doc, why didn't you say that last time? As far as I am concerned, you are changing your point of view."

Kalil: "No, I am not."

Walden: "I even mentioned it to Tony--you know that Doc has always been opposed to salary raises to the geologist and the Executive Secretary, and for once he didn't oppose it. I don't know why'. You're back to your old position, Doc".

Kalil: "Oh, no. In the first place, I have not..

Deddens: "Let us resolve this matter, Gentlemen. We have a problem of amending these minutes."

- 1 - Secretary's position.
- 2 - There was the Executive Secretary's position, was there not? And what was the amount of the raise there--\$75? \$75.00 per month.
- 3 - And there was the Petroleum Geologist's, and the amount of the raise was \$75.00 a month.

Lockhart: "The only thing that surprises me is that the Doctor changes his mind. I'd bet my life that he acquiesced in all of them. He didn't say anything contrary, to my motion.

Heward: "It was my understanding, and I was sitting here quiet, you remember, last meeting. You remember I didn't have very much background on it, so I asked, if you will remember, what the present salaries were, as I didn't know what the three were. It was my understanding that we were talking about all three people -- very definitely. I never did

have any question in my mind about who was getting the raises. I definitely thought we all voted, and did vote, unanimously, and it was for all three.

Walden: "That's exactly my sentiments".

Deddens: "Now the Chair will entertain a motion that the minutes of the meeting of the meeting of June 28, 1961, be amended by adding thereto the following:

1 - That this Commission increased the salary of the office secretary by \$50 per month, the Executive Secretary's by \$75 per month, and that of the Petroleum Geologist's by \$75 a month, retro-active to July 1, 1961. A motion to that effect was made by Lynn Lockhart and seconded by Keith Walden. All except Dr. Kalil voted in favor, and the motion voted 4 to 1.

2 - That said minutes reflect that membership in the Oil and Gas Association of Arizona had been discussed on June 28, and subsequent to that meeting, said Association had made the five members of this Commission honorary members, and included D. A. Jerome, Executive Secretary, and it had therefore refunded the dues paid by D. A. Jerome. A motion to that effect was made by Lynn Lockhart and seconded by Keith Walden, and was carried unanimously.

A discussion followed relative to our position regarding the Kaibab leases and Mr. Deddens asked Mr. Jerome to send to Senators Goldwater and Hayden, Representatives Rhodes and Udall, the statement made by E. R. Richardson at the May 24 meeting pertaining to the income derived by New Mexico from the oil and gas industry so that these Arizona men in Washington might take up the economic effect on Arizona if these leases are granted by the Secretary of the Interior, Mr. Udall.

Mr. Jerome revealed that Mr. Shreeve and Rocky Crane of the House Oil and Gas Study Committee wanted to go on record for said leasing in the Kaibab but wanted a certain stipulation inserted in the leases and asked him his opinion. The Commission directed Mr. Jerome to state to these gentlemen that this Commission has no jurisdiction over leasing so cannot go on record for or against the restriction they desire in the leases.

Mr. Huerta, Assistant Attorney General, gave a report on the forms he had prepared relative to operators that have been in default of our rules and regulations, etc. He also stated that the Lydia Johnson case should be resolved, whereupon Mr. Deddens suggested that a review of this case be scheduled for the next Commission meeting.

Mr. Jerome read the invitation from Warren Peterson of the Tax Commission meeting of August 3 and 4 in Kingman, and Mr. Lockhart said he was going to attend as it was important to this Commission; Dr. Kalil suggested he give a little talk of this meeting at our next session in August, 1961.

The Rocky Mountain Mineral Law Institute's meeting to be held July 27, 28 and 29 in Albuquerque was discussed and a motion was made by Lynn Lockhart and seconded by Robert Heward that Mr. Jerome and/or the Chairman attend this meeting of the Rocky Mountain Mineral Law Institute; that is, if the Kerr-McGee hearing did not extend until July 27. All in favor - so ordered.

Mr. Pierce gave the five new locations for which permits had been granted:

- Eastern Petro - Santa Fe #5 - Sec. 9, T 19 N, R 28 E
- Eastern Petro - Santa Fe #4 - Sec.19, T 20 N, R 28 E
- Crest Oil - Santa Fe #5-A-Sec.26, T 20 N, R 26 E
- Linehan&Stoltenberg - #1-23 Spurlock & Wetzler  
Sec.23, T 19 N, R 26 E
- Linehan&Stoltenberg - #2-27 Spurlock & Wetzler  
Sec.27, T 19 N, R 26 E

He revealed the cumulative barrels of oil produced in Arizona as of June 30, 1961 were 149,913 barrels, and discussed his field trip of July 14 and 15, on which Mr. Lockhart accompanied him.

The Petroleum Geologist's car situation was referred by Mr. Jerome to Senator Prochnow who said he would take the matter up with the Senate Appropriations Committee and send it to the House Committee.

At 12:15 Mr. Lockhart moved that the meeting be adjourned until 1:30 P. M. at the Kerr-McGee Hearing; seconded by Bob Heward. Unanimously approved - so ordered.

Respectfully submitted,

Helen M. Eremie

APPROVED... *Aug. 23, 1961* .....

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Anthony T. Deddens, Chairman

*R. Keith Walden*  
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R. Keith Walden, Vice-Chairman

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*Charles Kalil, M.D.*  
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Charles Kalil, M. D., Member

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*Lynn Lockhart*  
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Lynn Lockhart, Member

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*Robert B. Heward*  
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Robert B Heward, Member