

OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

August 23, 1961

The regular monthly meeting of the Oil and Gas Conservation Commission was called to order by Mr. Anthony T. Deddens, the Chairman, at 9:30 A. M. in Suite 221, 3500 North Central Avenue, Phoenix, Arizona.

PRESENT:

COMMISSIONERS

Anthony T. Deddens
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 Marshall Simms
Dick Thomas, Gazette Reporter

ABSENT:

R. Keith Walden

Minutes of meeting of July 26, 1961 read by the Executive Secretary.

Motion by Lynn Lockhart, seconded by Bob Heward, that the minutes be approved as read and as amended by Mr. Deddens showing that a hearing was conducted at 1:30 P. M. at the Tax Commission Hearing Room on the amended application of Kerr-McGee Cause 3-B with all Commission members present. Hearing concluded at 4:15 P. M.

Minutes approved unanimously.

Executive Secretary's Report:

1 - Information pertaining to economics, etc. sent to the Congressional delegation in Washington. Replies rec'd from Sen. Hayden, Rep. Udall and Secretary Udall which Mr. Jerome read along with the letter from Forrester Kennedy to Sec. Udall.

2 - Described his and Mr. Deddens' trip to the Mineral Law Institute in Albuquerque - that there was an excellent program and attendance; that he was fortunate in receiving several of the talks as a bound copy of all the talks cost about \$25.00; that Jack Campbell, Speaker of the House in New Mexico, and a lawyer for the Independent Petroleum Association would be happy to come over and tell what the independents he represents are trying to do relative to pro-ration and ratable take provisions and solutions to the marketing problem of the independent producer together with what the State of New Mexico is doing, if we wanted to invite him.

3 - The status of the brochure was made known - that all the articles to be published were in and that he was to meet with the Development Board and the printers very shortly. After some discussion, he read the acknowledgments he had written and it was favorably received by all the Commissioners.

4 - That a car had been purchased for Brooks Pierce after Senator Prochnow advised Mr. Jerome that both house and senate committees

gave their permission and written authority had been received from four of the Commissioners for said purchase. The three bids received are on file in the Commission office.

Formal motion was then made by Mr. Lockhart and seconded by Mr. Heward that the car should be purchased from Patterson Motors in St. Johns, Arizona. Unanimously approved - so ordered.

There followed a long discussion on the Lydia Johnson case and a motion was made by Bob Heward, seconded by Lynn Lockhart, as follows:

"That the Attorney General return the Lydia Johnson files and papers for study and decision with no further action until directed by this Commission."

All approved - so ordered.

Mr. Jerome brought up the matter of the forms prepared by Mr. Huerta relative to delinquent permittees and after considerable discourse, it was agreed that the Western Drilling Co. Permit #43 situation be set for the September 27, 1961 Commission meeting.

The Commissioners were apprised of the Geological Symposium to be held on Aug. 25 at Flagstaff which Mr. Pierce and Mr. Jerome were going to attend.

Brooks Pierce in his report informed the Commission that there were four dry holes this past month making six dry holes already for Linehan and Stoltenberg. He also gave complete descriptions of all wells visited during his field trips since the last Commission meeting.

Lunch adjournment.

The afternoon session started out with a complete discussion of the budget figures which all concurred were most realistic. Senator Simms felt that Professional Services should be \$5,000, however, and he said that he would carry the ball on that point with the Legislature. He also suggested that the Commissioners' salaries should be set down separately from the other personal services as has been done by several of the other state departments.

Bob Heward moved that the budget be presented as set forth by Mr. Jerome, seconded by Dr. Kalil. All in favor - so ordered.

A discussion of the rules and regulations was next on the agenda. After which, Dr. Kalil made a motion pursuant to the Chairman's suggestion that a November public hearing be set to adopt virtually the '59 rules and regulations with the omission of the formula 501 and with certain minor changes to be submitted by the Executive Secretary and the Petroleum Geologist. Said hearing to be set for the 5th Wednesday in November (the 29th). Motion seconded by Mr. Heward and was unanimously approved.

Mr. Deddens in his "Swan Song" as a member of this Commission advised the Commission that he had enjoyed his association with the Commission

and its staff very much; that at times the work was arduous and challenging but most interesting, and it was with deep regret that he leaves the Commission and the post of Chairman.

The other members of the Commission expressed their very warm congratulations to Mr. Deddens on his appointment as Superior Court Judge of Cochise County and wished him the greatest success as a judge, but stated with clarity their many regrets in seeing him go.

Motion to adjourn by Dr. Kalil, seconded by Mr. Lockhart. Approved - so ordered.

Respectfully submitted,

Helen M. Eremie
office secretary

APPROVED Sept. 27, 1961

Anthony T. Deddens, Chairman

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

Lynn Lockhart
Lynn Lockhart, Member

Robert B. Heward
Robert B. Heward, Member