

OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

October 25, 1961

The regular monthly meeting of the Oil and Gas Conservation Commission was called to order at 10:25 A. M. in the Cock and Bull Room of the Motaurant Hotel, 609 West Hopi Drive, Holbrook, Arizona. R. Keith Walden, Chairman, presiding.

PRESENT

COMMISSIONERS

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

OTHER

D. A. Jerome, Executive Secretary
Brooks Pierce, Petroleum Geologist
C. Lawrence Huerta, Asst. Attorney General

ABSENT: Orme Lewis

The first order of business was the hearing on Cause 3-C, Kerr-McGee's application for allowables. After a lengthy discussion, it was agreed that Mr. Huerta and Mr. Jerome draft the language of an order granting an open order to Kerr-McGee to produce what they need for a period of 120 days and setting another hearing on this request for February 28, 1962.

Next on the Agenda was the approval of the minutes of the September meeting. Dr. Kalil moved and Mr. Heward seconded that they be approved as mailed to the Commission. Unanimously approved - so ordered.

The Executive Secretary's Report:

A formal notice and demand was sent to Aetna Casualty and Surety Co. relative to Western Drilling Co. Permit No. 43 and it was promptly acknowledged. Both the bonding company and Western Drilling asked for a 30 day extension of this hearing so remedial work could be done; if not, bonding company would forfeit the \$2,500 to the Commission.

No answer received to the letter written to the Department of the Interior which requested deletion or waiver of the helium release clause in federal leases in Arizona.

(Mr. Walden requested further exploration on this matter and a report on it at the next meeting.)

The subject of Jack Campbell's appearance before the Commission was again broached and it was unanimously agreed that he be invited to speak on Common Purchaser, Ratable Take and Unitization Statutes on the 28th of Nov. 1961 at 2 P. M. in the Commission office.

After a clarification of the Nomenclature Committee, the following motion was made by Lynn Lockhart and seconded by Bob Heward:

"That D. A. Jerome and Brooks Pierce collaborate in developing a group of names for a Nomenclature Committee to be recommended to the Commission at the next monthly meeting".

Mr. Huerta read the letter opinion from the Attorney General,, through Mr. Huerta, that the granting of a bonus, as posed in Mr. Jerome's letter to the Attorney General, was unconstitutional. Mr. Jerome was directed to release this information to the press and distribute copies of said letter opinion to the Commission members.

The Commission was advised of the need to designate someone by a formal resolution to cause to be published in the Arizona Weekly Gazette the Notice of Public Hearing on the Amendments of the Rules Governing the Conservation of Oil and Gas in Arizona; whereupon, Lynn Lockhart moved that the Executive Secretary, D. A. Jerome, be so designated - seconded by Bob Heward. Unanimously approved - so ordered.

Mr. Walden, Mr. Lockhart and Mr. Jerome made plans to attend the I.O.C.C. meeting scheduled for Dec. 4, 5 and 6 in Denver.

After it was brought out that the oil and gas brochure was to be 108 pages long and would cost \$1.50 each plus 40¢ for the postage, Dr. Kalil moved and Mr. Heward seconded that:

"The Development Board handle the gross distribution of the brochure and the Commission handle the specific requests and that this Commission cooperate with the Development Board".

Unanimously approved - so ordered.

Mr. Pierce, in his report, revealed that 9 permits were issued since the last meeting; related the highlights of his Farmington trip; discussed the matter of Keoughan Drilling Co. not catching samples at their Dateland test as mentioned in Mr. Lassen's letter to Mr. Walden.

At Mr. Walden's request, Dr. Kalil expressed the view that this Commission be discriminatory in recommending any statutory changes before the Study Committee has had a chance to reveal their suggestions before the entire legislature in Jan. 1962. After a brief discussion, the consensus of opinion was that Dr. Kalil, D. A. Jerome, Brooks Pierce together with Senators Arnold and Simms and Jules Klagge of the Legislative Council work with House members in drafting statutory change suggestions and the Executive Secretary was instructed to write to Speaker of the House Tay Cook to recommend the persons he desired to work on this project.

During comments on the amended rules, Brooks Pierce suggested that in the well completion rule relating to samples of cores and cuttings being taken at 10 ft. intervals "if and when taken" be stricken from said rule whereby the taking of samples would be mandatory thus avoiding any more occurrences as discussed in Mr. Lassen's letter.

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Before adjourning, a motion was made by Dr. Kalil, seconded by Bob Heward, that Lynn Lockhart be designated as Governor Fannin's official delegate to the Interstate Oil Compact Commission. Unanimously approved.

At 4 P. M. Lynn Lockhart moved that the meeting be continued until the next morning in Window Rock for the meeting with the Navajo Advisory Council. Seconded by Bob Heward. Unanimously approved.

The meeting adjourned on Oct. 26, 1961 at 3:45 P. M. at the Holbrook Municipal Airport.

October 26, 1961

Following is a list of names of the men present from the Navajo Tribe and the Bureau of Indian Affairs on October 26, 1961 meeting in Window Rock, Arizona with the Arizona Oil and Gas Conservation Commission:

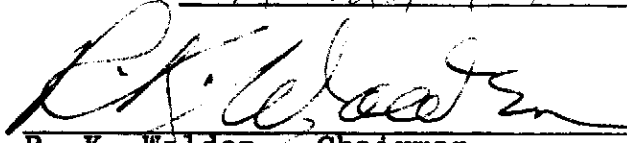
J. Maurice McCabe	Navajo Tribe
Walter Wolf, Jr.	Navajo Tribe
D. A. Jamison	Navajo Tribe
Ned A. Hatathli	Navajo Tribe
Glen R. Landbloom	Navajo Agency
Robert J. Walton	Navajo Tribe
R. C. Clark	Bureau of Indian Affairs

Respectfully submitted,

Helen M. Eremie
secretary

APPROVED

Nov. 28, 1961


R. K. Walden, Chairman


Robert B. Heward, Member


Lynn Lockhart, Vice Chairman


Orme Lewis, Member


Charles Kalil, M. D., Member