

OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

January 5, 1962

The first monthly meeting of 1962 of the Oil and Gas Conservation Commission was called to order at 2 P. M. in the Commission's office at 3500 N. Central Avenue, Phoenix, Arizona by R. Keith Walden, Chairman.

PRESENT:

COMMISSIONERS

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

OTHERS

D. A. Jerome, Executive Secretary
Brooks Pierce, Petroleum Geologist
Fritz Ryan, State Land Dept.

The first order of business was a review of the changes in the rules and regulations as suggested at the public hearing held Nov. 29, 1961 and as incorporated in a form prepared by the Executive Secretary, D.A. Jerome.

Since Formula 501 was to be reinstated in the rules, Orme Lewis made a motion, seconded by Bob Heward, that the following words constitute the first sentence in the opening paragraph under REGULATION OF OIL PRODUCTION:

"There is no regulation of oil production in the State of Arizona until such determination is made as outlined in this opening paragraph".

All members in favor with the exception of Dr. Kalil who voted "NO".

After Mr. Jerome mentioned all the changes that were made, Mr. Lewis moved, and Mr. Heward seconded:

"That the rules be published as they have been changed in the prepared form and as we have changed them."

All in favor except for Dr. Kalil who voted "NO".

The second order of business was relative to legislation, which we do not have at present, dealing with protection of correlative rights, common purchaser statute, ratable take and compulsory poolwide unitization. After Mr. Lewis read Senate Bill 263, introduced by Sen. Giss, a discussion period ensued, with Mr. Fritz Ryan giving the view of the State Land Dept. The following motion was then made by Mr. Orme Lewis, seconded by Mr. Bob Heward:

"I move that it be the sense of this Commission that it favors the adoption of legislation with respect to unitization, somewhat along the line of Senate Bill 263, bearing in mind that the portion having to do with the determination of values be enlarged so as to leave certain discretion with the Commission and that the

Bill take into consideration elements that might affect taxation of a unit and that the common purchaser and ratable take statutes should be considered and acted upon in connection with the unitization bill".

Unanimously approved, with a directive to the Executive Secretary to do some research on common purchaser and ratable take statutes.

Lynn Lockhart then made the following motion which was seconded by Bob Heward:

"Be it resolved that D. A. Jerome, Executive Secretary of the Arizona Oil and Gas Conservation Commission be and is hereby directed to cause to be published in the Arizona Weekly Gazette pursuant to A.R.S. 27-516 (B) the Notice of Hearing Relative to the Statewide Rules Governing the Conservation of Oil and Gas in Arizona."

Unanimously carried.

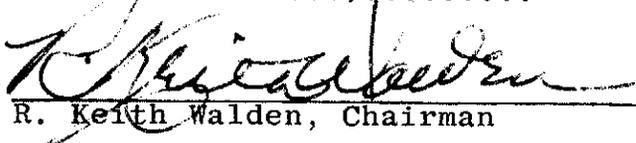
Earlier in the day Mr. Walden was advised that Sen. Ben Arnold was to be in Washington, D. C. the week of Jan. 15, 1962 and mention was made that it might be advantageous for someone from this Commission to also go to the Capitol and meet with Secretary of the Interior Stewart Udall relative to the exclusion of the helium clause in federal leases and the matter of leasing in the Kaibab Forest. It was unanimously agreed that Mr. Lynn Lockhart and Mr. D. A. Jerome made appointments and plans to meet with Secretary Udall and Sen. Hayden.

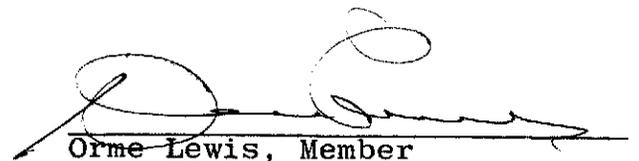
After the geologist, Brooks Pierce, gave his report, Dr. Kalil moved and Lynn Lockhart seconded that this meeting be adjourned until the next meeting scheduled for Feb. 28, 1962. All in favor - so ordered.

Respectfully submitted,

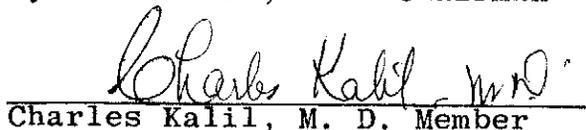
Helen M. Eremie
secretary

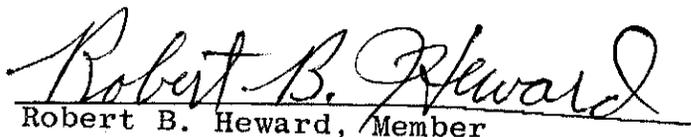
APPROVED..Feb..28, 1962....


R. Keith Walden, Chairman


Orme Lewis, Member


Lynn Lockhart, Vice Chairman


Charles Kalil, M. D. Member


Robert B. Heward, Member