OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

JULY 25, 1962

The regular monthly meeting of the Oil and Gas Conservation Commis-

sion was called to order by the Chairman, R. Keith Walden at 9 A.M.
in the Tax Commission Hearing Room, House Wing, State Capitol, Phoenix,
Arizona.

PRESENT:

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

OTHERS
John K. Petty, Petroleum Geologist
Sen. Marshall Simms
Asst. Atty Genl Ross Anderson
Lee Jackson - Eli Oil & Gas Dev. Co.
Silas C. Brown, Consulting Geologist
Jerry Sager, Shell Oil Co. Scout
Reporters: Larry Rummel, Phx Gazette
Bob Webb, Ariz. Journal

ABSENT:
Orme Lewis

The ready of the minutes of the April 25 meeting was dispensed with
at the motion made by Lynn Lockhart and 2nd by Robert Heward. Unani-
mously approved.

Mr. Walden then made a statement regarding D. A. Jerome's resignation
as Executive Secretary and expressed his appreciation for a job well
done during many trying moments and all were in accord that the Execu-
tive Secretary would be missed. The fact that 24 permits had been
issued in less than 4 months making 1/8 of the total drilling permits
taken out was attributed to promotional work by D. A. Jerome.

Vice Chairman, Lynn Lockhart, gave a short talk on his attendance at
the Interstate Oil Compact Commission meeting held in Omaha, Nebraska
June 18 thru June 20.

John Petty, Petroleum Geologist, gave his report on the three field
trips he had made bringing out the salient points of his written
reports which had been distributed to all the commissioners.

During his report, mention was made of Cities Service Petroleum Com-
pany's encounter with lava flow in some of their five strat tests
which would necessitate a new location for some of the tests and it
was felt that approval of change of location should be given without
an additional permit fee being required; therefore, Dr. Kalil made
the following motion and 2nd by Mr. Heward:

"I move that based on Mr. Petty's information and his factual
presentation that some of these off pattern locations be granted
since they are in different sections and are topographically such
that they would be unduly burdensome upon the operator."

Unanimously approved - So ordered.
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Mr. Petty also informed the commission that the Mountain States Exploration Co. drilling in Pima County did not have a blow-out preventer and after a discussion of such a necessity, Mr. Heward moved and Dr. Kalil seconded a motion that the blow-out preventer not be required until needed. Unanimously approved.

A motion was made by Mr. Heward and seconded by Mr. Lockhart that a $50 a month increase in salary for Helen M. Eremie be approved. Unanimously approved.

Since the June 27, 1962 scheduled public hearing on the application of Eli Oil and Gas Development Co. for an unorthodox location was postponed due to no commission meeting on June 27, hearing with respect to the matter was called to order with Oscar Taylor of Ryan, Powers and Ryan as Court Reporter. It was brought out that the Santa Fe Railway had no objections and that the hole had already been drilled, was a dry hole and all regulations conformed to whereupon Dr. Kalil moved that:

"Retroactively, in order to conform with the statutes and regulations, it be approved as an off-pattern location knowing it has already been drilled and found dry." Mr. Heward seconded. All in favor - so ordered.

The budget for 1962-1963 and the rules discussion were to be scheduled for the August 22, 1962 commission meeting.

For the purpose of securing a revolving fund and signing checks for stamps and other incidentals for the commission office, Lynn Lockhart moved and Robert Heward seconded a motion that Helen M. Eremie be designated Acting Executive Secretary until a new Executive Secretary had been selected. Unanimously approved - so ordered.

There being no other business to transact in public session, Mr. Walden suggested that after a brief recess the commission go into executive session for the purpose of interviewing applicants. Recessed at 10:30 A.M.

The Executive session commenced at 11 A.M. and when the interviews were over, Dr. Kalil moved for adjournment, Mr. Lockhart seconded - all in favor - so ordered.

Respectfully submitted,

Helen M. Eremie, secretary

APPROVED. August 22, 1962

R. Keith Walden, Chairman

Lynn Lockhart, Vice Chairman

Charles Kalil, M.D., Member

Robert B. Heward, Member