

OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

JULY 24, 1963

This meeting was called to order by the Chairman, Mr. Walden, at 9:15 A.M.

Present:

COMMISSIONERS

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

OTHERS

N. A. Ludewick  
John K. Petty  
Edward Kennedy  
Mike O'Donnell  
Grady Watson  
Henry Fullop  
James Fulton  
Lee Jackson  
Sen. Marshall Simms

Mr. Lockhart moved, and Mr. Lewis seconded, that the minutes of the last meeting be approved as filed by the secretary - so ordered.

Mr. Ludewick reported on items not previously mentioned in his written report.

An informal hearing was held on the alleged violation of Eastern Petroleum Company's drilling in Sec. 31, T20N, R28E, Apache County, before application for permit to drill was received in the commission's office. Mr. Edward Kennedy, Attorney General's office, conducted the interrogation of the commission's geologist relative to the facts of this situation and Mr. Henry Fullop, President of Eastern Petroleum, revealed that the whole matter was an accidental error and not deliberate in any way. When the Chairman concluded the hearing, he informed Mr. Fullop that a decision would be reached in an executive session of the commission and Mr. Fullop would be notified of said decision as soon as possible.

Mr. Petty was then called upon for his report by the Vice Chairman. During this report, Mr. Fullop disclosed that much valuable information is secured while drilling for water wells and Mr. Lewis inquired if such information was available in this office, if not, he felt it advisable for the staff to secure it from the State Land Dept., correlate it with the data in this office and then Mr. Petty could prepare maps that might be useful.

Mr. Kennedy volunteered to check into the law and requirements of drilling a water well, see what is required of the operator by the Land Dept. and correlate such information with the oil and gas commission's office.

Mr. Petty was granted permission to attend the geological field trip through parts of Utah and Arizona sponsored by the Intermountain Assoc. of Petroleum Geologists, September 3 through 7.

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At 11 A. M. the Chairman adjourned the public meeting and reconvened the meeting as an executive session.

After considerable deliberation of the Eastern matter, the following thoughts on possible new rules and regulations for the next rules' hearing emerged:

1 - That a certified, licensed surveyor make the well location and a certain type of marker (to be decided upon later) be placed on the location before the well is drilled.

2 - That some sort of penalty be considered for any more occurrences of this sort.

Mr. Walden then directed Mr. Kennedy, as legal counsel for this commission, to compose a letter for Mr. Walden's signature in very formal language containing the thoughts expressed during this meeting, severely reprimanding Eastern Petroleum Co. for its violation and that a permit for this location will be issued but that more stringent rules will be adopted relative to such violations.

Motion to this effect made by Mr. Lewis, seconded by Mr. Heward, unanimously approved.

At Mr. Lewis' suggestion, Mr. Ludewick and Mr. Petty were directed to check with Utah, Colorado, and New Mexico to see what they had done when water wells were drilled and oil or gas was found and no permit had been applied for the drilling of an oil or gas well.

The budget figures were to be discussed at the August meeting since the budget requests had to be turned in to the auditor's office before September 1.

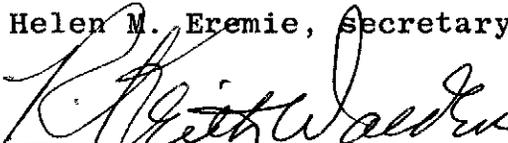
Dr. Kalil suggested that any previous action of the commission regarding Lydia Johnson's Aztec #2 well be nullified if the request by letter of the Executive Secretary, dated July 19, 1963, for plugging and abandoning said well is fulfilled; whereupon Mr. Lewis moved that such action should be ratified - no opposition - so ordered.

Dr. Kalil then moved for adjournment - second by Mr. Lockhart.

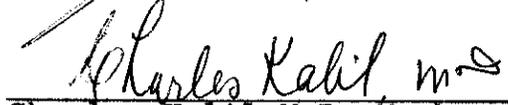
Respectfully submitted,

Helen M. Eremie, Secretary

APPROVED Aug. 28, 1963

  
R. Keith Walden, Chairman

  
Lynn Lockhart, Vice Chairman

  
Charles Kalil, M.D., Member

  
Robert B. Heward, Member

  
Orme Lewis, Member