

OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

August 28, 1963

This meeting of the Oil and Gas Conservation Commission was called to order at 9:15 a.m. by Mr. R. Keith Walden, Chairman.

PRESENT:

COMMISSIONERS:

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

OTHERS:

John K. Petty  
Edward Kennedy  
Henry Fullop  
Robt. P. Davidson  
Lee Gorsuch

Sen. Simms  
Mike O'Donnell  
Van Bennett  
James Fulton  
Chuck Martin  
Don Hornecker  
Maynor Davies  
Silas Brown  
Bill King

ABSENT:

Robert B. Heward

Mr. Lockhart moved that the minutes of the previous meeting be accepted as filed by the secretary. Dr. Kalil seconded the motion. No opposition.

Mr. Petty gave a report of his activities both as Acting Executive Secretary and as a Petroleum Geologist in the field.

The New Mexico-Arizona Land Company matter relative to this company's drilling without first obtaining a permit was taken under consideration with Mr. Lee Gorsuch, Vice President, explaining to the Commission that his company was on an extensive mineral research program and did not expect or even tried for a helium blow as occurred on their strat hole #3. Mr. Edward Kennedy of the Attorney General's Office acted as Counsel for this Commission during this informal hearing. Mr. Gorsuch was advised he would be notified of the Commission's findings as soon as possible.

Since Mr. Gorsuch claimed he did not know that Arizona had any rules and regulations governing the drilling for oil, gas and helium, Mr. Lewis suggested that the staff, upon learning of substantial leaseholds being taken in Arizona, send a copy of our rules to the persons concerned or, at least, write them a letter advising them of our rules to the persons concerned, and that a copy could be secured if they so desired.

Since the New Mexico-Arizona Land Company did encounter a helium blow inadvertently, Dr. Kalil felt this situation could be so publicized to prove to the industry and to anyone else interested that there are oil, gas and helium possibilities in Arizona.

Mr. Robert P. Davidson, attorney for Eastern Petroleum Company, made application for the creation of a Navajo Springs Unit for the field-wide unitized management, development, operation and production of gas, including helium in parts of Sections 31, 32, 33 and 34, T20N, R27E and Sections 3, 4, 5, 6, 8, and 9, T19N, R27E, Apache County, Arizona, and for an emergency order temporarily suspending all production from said lands for the purpose of estimating the total reserves in the Coconino Sand gas formation underlying the lands therein.

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Dr. Kalil moved that the requested emergency order be granted for the period of 30 days. Second by Mr. Lockhart. After further discussion and questions, a vote was taken and the motion passed unanimously.

Dr. Kalil further moved that a public hearing of said application of Eastern Petroleum Company be set for the 25th of September, 1963, and that the Notice of Hearing be duly publicized as required by law. Second by Mr. Lockhart. Approved.

Mr. Lockhart then moved that the public portion of this meeting be adjourned and reconvened as an executive session. Second by Dr. Kalil. Approved.

#### EXECUTIVE SESSION

The Commission first met with representatives of the Oil and Gas Association of Arizona; namely, Mr. James Fulton and Mr. Van Bennett with Mr. Mike O'Donnell as audience.

That portion of the meeting concluded, Sen. Simms, Mr. Petty and Mr. Edward Kennedy rejoined the meeting for a discussion of the New Mexico-Arizona Land Company situation.

After much discussion of the need of legislation to be introduced at the next Legislative Session relative to the regulation of all types of drilling in Arizona and the proper policing of said law, Mr. Lewis moved that the Chairman be authorized to direct the Counsel to write an appropriate letter to the New Mexico-Arizona Land Company with respect to their three holes in Navajo County. Second by Mr. Lockhart. Unanimously approved.

The findings being identical to that of the Eastern Petroleum Company's alleged violation of the previous month, Mr. Walden directed Mr. Kennedy to write a letter to New Mexico-Arizona Land Company in the exact vein as that written to Eastern Petroleum Company.

Before adjournment until the September 25 meeting, the budget was discussed and approved essentially as rough drafted to the Commission except for deletions of:

- A new car for the Executive Secretary
- A camera for field trips
- An electric calculator

Since no amount had been typed in for Personal Services for 1964-1965, the Commissioners inserted \$29,000 which left salaries as they were during 1962-1963 except for combining the salaries of the Executive Secretary and the Petroleum Geologist in the amount of \$21,000 which is an increase of \$1,200 over the separate salaries of said positions.

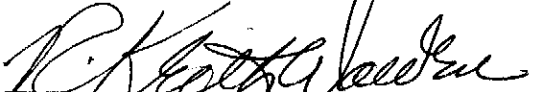
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Meeting adjourned at 12:20 p.m.

Respectfully submitted,

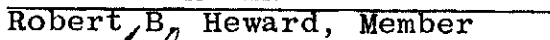
Helen M. Eremie, Secretary

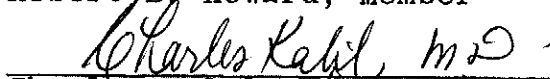
APPROVED September 25, 1963

  
R. Keith Walden, Chairman

  
Lynn Lockhart, Vice Chairman

ABSENT

  
Robert B. Heward, Member

  
Charles Kalil, M.D., Member

  
Orme Lewis, Member