

OIL AND GAS CONSERVATION COMMISSION

MINUTES OF MEETING

November 13, 1963

1624 West Adams, Room 202
Phoenix, Arizona

SPECIAL MEETING

Chairman R. Keith Walden called the meeting to order at 8:30 a.m., making note of the fact that even though Commissioners Orme Lewis and Robert B. Heward were absent, a quorum of the Commission were present.

COMMISSIONERS PRESENT:

R. Keith Walden, Chairman
Lynn Lockhart, Vice Chairman
Charles Kalil, M.D., Member

OTHERS PRESENT:

John K. Petty, Commission Petroleum
Geologist and Acting Executive
Secretary
Senator Marshall Simms

COMMISSIONERS ABSENT:

Robert B. Heward, Member
Orme Lewis, Member

Mr. Lynn Lockhart's motion to accept the minutes of the last meeting as prepared was unanimously approved.

The next order of business, which was the purpose of this special meeting, was to review the applications that had been received for the position of Executive Secretary of this Commission. The applications of Arizona residents which had been received at the Commission office and forwarded to Dr. Kalil and Mr. Lockhart for review per instructions issued at the previous meeting, were reviewed and the following four applicants were chosen to appear for interview at the next regular meeting of the Commission: Mr. Walt Fickle; Mr. F. Patrick Lanahan, Jr.; Mr. Jack M. Little, Jr.; and Mr. Robert L. Woodward. The Chairman plans to write these four applicants requesting their presence at the November 27, 1963, meeting for personal interview by the Commission.

Dr. Charles Kalil reported that in reviewing the applications which had been forwarded to him, he had considered as the first prerequisite, residence in the state of Arizona at least five years or more. Secondly, public relations experience in order to represent the office and department well. Thirdly, administrative ability of the individual in order to administrate the office, and ability to get along well with fellow workers and other people. Lastly, and of least significance, that it would be helpful if the man in addition to the other qualifications had some oil experience, but that it really wouldn't be necessary because there is a technical man in the department.

Page Two
Minutes of Meeting
November 13, 1963

Mr. John K. Petty discussed with the Commissioners the status of drilling projects and new applications to drill, and brought them up to date on well activity in the state.

There followed a discussion of the rough draft of a bill to be proposed by Senator Marshall Simms relating to the payment of a \$250,000.00 bonus to the owner of the first well which produces commercial oil for a six month period. It was decided that a revised proposed bill would be prepared and submitted for discussion at the next regular meeting.

A decision regarding evidence presented to the Oil and Gas Conservation Commission in public hearing on October 23, 1963, in the matter of the application of Eastern Petroleum Company for creation of a Navajo Springs Unit for fieldwide unitization was discussed. The Commissioners were in agreement with the opinion presented to them by the Attorney General's office in the form of a memorandum prepared by Mr. Edward I. Kennedy, Assistant Attorney General, legal counsel for the Oil and Gas Conservation Commission; which stated that permission for the unitization could not be granted because the northern limit of the alleged pool was not defined by actual drilling as required by A.R.S. 27-532. In this regard, Dr. Charles Kalil's motion as set forth below was seconded by Mr. Lynn Lockhart and unanimously approved:

Mr. Chairman, with reference to the action that this Commission will take concerning the hearing dated October 23, 1963, relating to the compulsory fieldwide unitization of the Navajo Springs structure, I would like to make the motion that it be denied.

On the basis of above motion, it was unanimously agreed that the Chairman on behalf of the Commission should send a formal denial of the petition to Eastern Petroleum Company, as well as to Kerr-McGee Oil Industries.

Dr. Charles Kalil stated that he would be in favor of at the time of rendering this decision, of simultaneously instituting a regulation approving quarter section drilling (160 acre spacing) for helium wells in the Holbrook Basin. After considerable discussion, it was agreed that this would be taken into consideration at some future time.

It was agreed that the matter of publication and distribution of geological information by the Commission office would be discussed at some future meeting when Mr. Orme Lewis would be present since he has corresponded with some government agencies regarding the methods they employ in distribution of information from their agencies.

