

State of Arizona

OIL AND GAS CONSERVATION COMMISSION
1624 West Adams, Room 202
Phoenix, Arizona

MINUTES OF MEETING
March 25, 1964

COMMISSIONERS PRESENT:

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

COMMISSIONER ABSENT:

Robert B. Heward, Member

OTHERS PRESENT:

John Bannister, Executive Secretary
John K. Petty, Petroleum Geologist
Mike O'Donnell
Loy Turbeville
J. H. Waterhouse
Charles Martin

Chairman Lynn Lockhart called the meeting to order at 9:30 a.m. in the Hearing Room of the Commission.

Commissioner R. Keith Walden's motion that the minutes of the preceding meeting be accepted as prepared was seconded by Commissioner Charles Kalil, unanimously approved, and so ordered.

House Bill 343, providing for the payment of a reward, was discussed. Commissioner Charles Kalil reported that he is attempting to arrange a meeting with Representative Elmer T. Burson in an effort to further the progress of this bill. The statement was made that the bill probably could be improved upon; and should be actively promoted with the legislators immediately following the general election if not acted upon favorably during this session of the Legislature.

The Chairman called upon Mr. John Bannister, Executive Secretary for his report. Mr. Bannister had previously submitted a written report to the Commissioners; however at this time he reported that a very good working relationship has been established with the other employees of the Commission office, Mrs. Mary Cooper and Mr. John Petty, since his employment on March 1st, and that the Commissioners could expect to receive his full cooperation.

There followed a discussion of the potash exploration situation in the state, the major issue being the extent of the Commission's authority and power to obtain information from the companies engaged in such exploration and drilling. It was reported that an opinion on the subject had been requested from Mr. Edward I. Kennedy, Assistant Attorney General; but that opinion had not yet been received. During discussion of the New Mexico Oil Conservation Commission's regulations in this regard, it was reported that New Mexico requires that a permit to drill for oil or gas be obtained from any type of operator, regardless of the purpose of the drilling, if the drilling penetrates oil and gas bearing areas. Thus, in accordance with the rules applying to the permits, the operator is then required to submit all information required for the drill-

ing of oil and gas wells; however they have not been entirely successful in receiving all the information desired even though their power in this regard has been tested and findings were reported that the various potash and mineral exploration companies' reluctance to furnish information regarding their drilling is an attempt to keep information from their competitors. Mr. John K. Petty, Petroleum Geologist, reported that he already has quite a number of samples from these potash holes, but that the information is being withheld, but that probably within a few months information would be available; and that quite a number of the exploration companies had committed themselves to furnishing whatever information will be requested by the Commission. The fact was pointed out that if any of these potash and mineral companies discover oil or gas, the Commission could then demand an application for a permit to drill; and that at present the Commission can demand cooperation from these exploration companies on its authority to protect the water bearing formations from contamination. Mr. Bannister and Mr. Petty were directed to present to the Commissioners at the next meeting their suggestions as to procedures to be followed in connection with the potash drilling, whether under the law or by arrangement with the various companies, so as to obtain as much information as possible with no discrimination.

The proposed drilling in the Kaibab Forest area was discussed.

Mr. Petty reported the latest information on the Ram well, 29 miles north of Willcox in the Sulphur Spring Valley which was that they plan to drill down to 1725-50 and hire a consultant to perform tests.

Mr. Mike O'Donnell stressed the importance of logs in revealing to drillers what formations they could expect to encounter in their operations based upon previous drilling in the area; thus enabling them to judge their costs. Also that as more logs are available, more information would be available for geologists to interpret for future drilling sites. The fact was brought out that our laws do not require that logs be run on all drilling operations, only that such logs as are run be submitted to the Commission, and that legislation would be required to force operators to run logs.

Mr. Petty and Mr. Bannister reported on their trip to the Montezuma area, Desert Drilling site near Dateland, and to the reclamation project which is being conducted south of Yuma near San Luis.

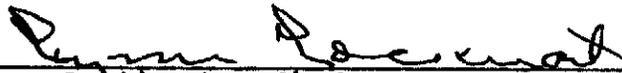
The situation in Morrow County, Ohio, was discussed briefly.

Upon motion duly made, seconded and unanimously approved, meeting was adjourned at 11:30, with the next meeting scheduled for the fourth Wednesday of April, the 22nd.

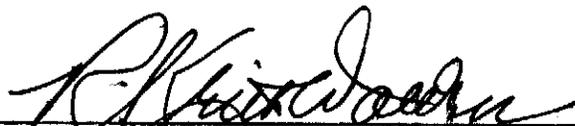
Respectfully submitted,

John Bannister, Executive Secretary

APPROVED: April 22, 1964



Lynn Lockhart, Chairman



R. Keith Walden, Vice Chairman

Charles Kalil, M.D., Member



Orme Lewis, Member

A B S E N T

Robert B. Heward, Member