

State of Arizona

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

MINUTES OF MEETING
May 27, 1964

COMMISSIONERS PRESENT:

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

OTHERS PRESENT:

John Bannister, Executive
Secretary
John K. Petty, Petroleum
Geologist

COMMISSIONER ABSENT:

Orme Lewis, Member

Chairman Lynn Lockhart called the meeting to order at 9:30 a.m. in the Conference Room adjoining the Auditorium of the State Highway Department at 206 South 17th Avenue, Phoenix, Arizona. It was noted that Commissioner Orme Lewis was not present because he had disqualified himself in the matter of Eastern Petroleum Company's application for unitization of the Navajo Springs Unit to be heard at 10 a.m. today. He had notified the Commission beforehand that unless his presence was required for a quorum at this portion of the Commission meeting preceding the hearing, he would not be present at all this morning.

Commissioner Lucien B. Owens' motion to accept the minutes of the previous meeting as prepared was seconded by Commissioner R. Keith Walden, unanimously approved, and so ordered.

The Commissioners then discussed the scheduling of a meeting to render the decision regarding the hearing to be conducted today immediately following this meeting. It was pointed out that since Commissioner Lynn Lockhart, Mr. John Bannister, and Mr. John Petty would be attending the Interstate Oil Compact Commission Meeting in Billings, Montana, June 22nd through 24th; it might be well to schedule the regular June Commission meeting for some date other than the usual meeting date of the fourth Wednesday of the month which would be June 24th. Since the Commissioners had no way of predicting whether time would allow them to reach a decision today in the matter to be heard, it was agreed that the Commissioners would meet June 10th in lieu of June 24th at which time they would handle regular Commission business and also render a decision if not done so today.

Commissioner Charles Kalil advised that the other Commissioners should make whatever plans they wished regarding the June meeting as he would be unable to attend since he had some previous plans which would prevent his being present at any Commission meeting in the near future. He advised that he was not certain that he would be able to remain throughout the proceedings today.

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Commissioners Kalil, Owens and Walden advised they would be unable to attend the Billings Interstate Oil Compact Commission Meeting June 22nd through June 24th.

It was pointed out that in connection with the hearing today, the interested parties are allowed ten days to offer additional material and the Commissioners are allowed thirty days in which to reach a decision.

Mr. Bannister reported the new Eastern permit No. 282 on the #30 Well, and also mentioned the conflict between Richard Harless and the Bureau of Land Management. Commissioner Kalil commended Mr. Bannister for his tact and diplomacy in the handling of Commission matters. Mr. Bannister reported briefly on the potash problem and advised that Mr. Petty has it pretty well solved by having obtained many samples, with many more samples available.

Mr. Petty then reported that on the field trip it was noticed that Eastern and Kerr-McGee wells were not marked, but that it appeared that some signs had been torn down since they had been put up. He also reported that Mr. Henry Fullop, President of Eastern Petroleum had advised him that he would repair the leaking well which is reported in Mr. Petty's written report.

Mr. Petty was asked to comment on the well abandoned in Kaibab Forest (Rip C. Underwood - Jacob Lake Unit Well #1-32, File #275) which he did stating that it had been drilled down to 3600 feet and logged to that depth and that they could not get logging tools down to the extra 268 feet. He also explained to the Commissioners the process of drilling with air and using foam.

Commissioner Walden reported on the problem encountered and solution of same in connection with a water well he had drilled at Sahuarita to 2,500 feet.

Commissioner Charles Kalil reported on an article in a recent issue of the Oil and Gas Journal dealing with the Secretary of Interior's proposed meeting with the big oil and pipeline people on May 26th, to consider somehow taking up the deposits that exist in the reservoirs, particularly in Southern California. He advised that whether the oil industry is seriously going to consider additional pipelines tapping the reserves of the mid-continental area or whether imports would be relaxed more to permit more foreign oil to come in would have a bearing on the attractiveness and desirability of exploration in the state of Arizona. He reported he had talked personally with Mr. Charles Anderson, Chairman of the Utah Oil and Gas Commission, in Miami a year and a half ago who told him how Utah had taken necessary precautions in reserving certain percentage of any pipeline traversing the state to the West Coast and that the New Mexico Oil Conservation Commission had advised him they were sorry that they had not put some reservations providing them with a priority of their production from pipelines in certain parts of that state. He expressed the opinion that it would behoove this Commission to very seriously consider approaching this problem

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in this coming session of the Legislature, whether it be through a statute which we have which can be enhanced under the jurisdiction of the Corporation Commission or the Oil and Gas Conservation Commission, whereby we here in this state would reserve a certain percentage of the capacity of any additional pipeline traversing this state if and when we have the production. He advised that it would be well to become informed on Utah's handling of the situation in their state, and that this matter should be considered seriously soon.

In response to Commissioner Kalil's above suggestion, Commissioner Walden made the motion that this Commission look into the matter of reserving a percentage for the transportation of Arizona production of future pipelines traversing the state of Arizona, with the intent of probing the possibility of sponsoring some legislation in this matter, and that Mr. John Bannister be delegated to visit the Oil and Gas Conservation Commission of the State of Utah at his convenience to investigate their handling of the situation in their state. Motion was seconded by Commissioner Kalil, unanimously approved, and so ordered.

Upon motion duly made, seconded, and unanimously approved, the meeting was adjourned at ten a.m., and the Commissioners proceeded to the Auditorium of the State Highway Department for the hearing of Case No. 15.

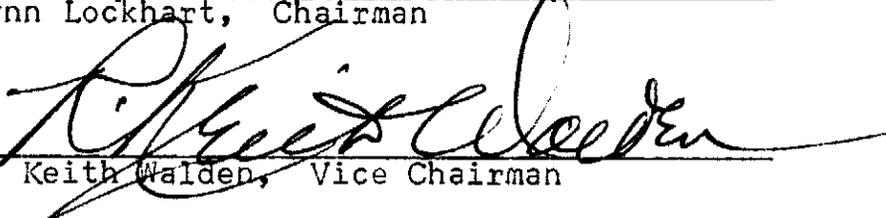
Respectfully submitted,

John Bannister, Executive Secretary

APPROVED: June 10, 1964



Lynn Lockhart, Chairman



R. Keith Walden, Vice Chairman

Charles Kalil, M.D., Member

A B S E N T

Orme Lewis, Member



Lucien B. Owens, Member