

State of Arizona
Oil & Gas Conservation Commission
1624 West Adams, Room 202
Phoenix, Arizona

Minutes of Meeting
June 10, 1964

Commissioners Present:
Lynn Lockhart, Chairman
R. Keith Walden, Vice Chairman
Lucien B. Owens, Member

Others Present:
John Bannister, Executive Secretary
John K. Petty, Petroleum Geologist
Mike O'Donnell
Richard H. Whitney

Commissioners Absent:
Orme Lewis, Member

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

Since the primary purpose of this meeting is to reach a decision in the matter of Eastern Petroleum Company's application for unitization of the Navajo Springs Unit which was heard before this Commission on May 27th, Commissioner Orme Lewis did not attend the meeting for the reason that he had disqualified himself from participation as a member of this Commission in any matter concerning the Navajo Springs area because of possible conflict of interest.

Upon motion duly made, and seconded, the minutes of the previous meeting were unanimously approved as submitted.

Mr. Bannister advised the Commissioners that it was his recommendation and Mr. Petty's that the Navajo Springs Unit be granted, that the participating factors as presented by Kerr-McGee Oil Industries, Inc. be used, and that the entire unit production be closed in for a period of sixty days in order to allow Eastern Petroleum to assume control and begin unitized production. He also recommended that the order provide that the unit would not be effective until such time as evidence has been submitted to this Commission that they had complied with the changes suggested in the Unit Agreement and until they provide evidence that sixty-three percent of the interest and royalty owners ratified the agreement.

After considerable discussion of the Navajo Springs Unit matter, motion was made by Commissioner R. Keith Walden that this Commission approve the granting of a field-wide unitization of the Navajo Springs Helium Field as requested by Eastern Petroleum in the hearing of last month, and that in accordance with the recommendation of the staff of this office the Barfoot well be shut-in for a maximum period of sixty days. Motion was seconded by Commissioner Lucien B. Owens, unanimously approved, and so ordered.

Chairman Lynn Lockhart called upon Mr. John K. Petty to report any items of interest which he did, calling attention to the following activity at the present time: Pan American and Superior drilling in the Four Corners Area, Tenneco beginning operations, and one Eastern Petroleum well active in Pinta Dome area just east of the Navajo Springs Field. He also reported that this Commission is receiving splendid cooperation from the people working in the Potash area in the St. Johns-Holbrook-Navajo area.

The possibility of further exploration of the Kaibab area was discussed. Mr. Petty advised that he would make an effort to influence operators to go into that area.

Mike O'Donnel of Arizona Oil Report brought up for discussion the matter of rumors regarding the Harless operations in Yavapai County, and the matter was discussed.

The temporary employment of Mr. William Cooper was discussed.

Tentative date of the next Commission meeting was set for the fourth Wednesday of July.

Mr. Richard Whitney, attorney representing Kerr-McGee Oil Industries, inc., arrived at this time and inquired whether Unit had been approved. He was advised that he would be furnished with a copy of the order granting the Unit at the conclusion of the meeting.

Upon Commissioner R. Keith Walden's motion to adjourn, seconded by Commissioner Lucien B. Owens, unanimously approved, meeting was adjourned at eleven-thirty.

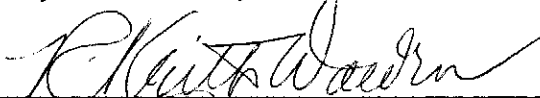
Respectfully submitted,

John Bannister, Executive Secretary

APPROVED August 26, 1964



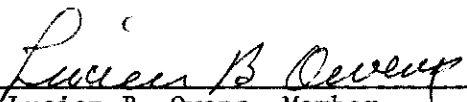
Lynn Lockhart, Chairman



R. Keith Walden, Vice Chairman

Absent

Orme Lewis, Member



Lucien B. Owens, Member