

OIL AND GAS CONSERVATION COMMISSION
4515 N. 7th Avenue
Phoenix, Arizona 85013

Minutes of Meeting
February 15, 1974

Present:

Mr. Ralph W. Bilby, Chairman
Mr. W. Roger Hafford,
Vice Chairman
Mr. Robert A. Bledsoe, Member

Absent:

Mr. F. Keith Benton, Member

The regular Commission meeting for the month of February, 1974 was called to order by Chairman Ralph Bilby at 10:00 a.m.

Minutes of meeting of January 18, 1974 were approved as written.

Reports of Executive Secretary, Enforcement Section and Geology Section were accepted.

Executive Secretary reported on House Bills 2148 and 2222. House Bill 2148 provides a supplemental budget to the Commission in the amount of \$432,000 to conduct geology work within Arizona aiming at encouraging exploration. The bill has been assigned to Ways and Means and Rules Committees and has been unanimously approved by the Natural Resources Committee of the House of Representatives.

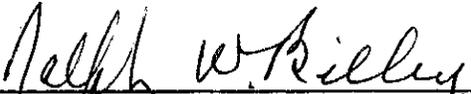
House Bill 2222 provides for a severance tax of 5% of the gross value of the production of oil, natural gas, helium and geothermal resources in lieu of any other tax upon production. It further provides for the tax to be suspended until such time as the operator of the first producing well on a lease has recovered 200% of his cost of drilling and completing the well. This bill has likewise been assigned to the Committees on Ways and Means, Rules, and Natural Resources, but has not as yet been on any agenda.

Dr. Schreiber of the Department of Geosciences, University of Arizona, reported that a representative of Exxon Corporation appeared at the University of Arizona and gave a most interesting speech concerning the world energy situation. Exxon Corporation feels that crude oil and its byproducts will be the prime energy of the world through about the Year 2000 and all efforts must be made to encourage exploration and production of this energy source.

Chairman Bilby extended the best wishes of the Commission to Edward Koester, staff geologist, who is leaving the employ of the Commission to retire in Santa Barbara, California.

Meeting adjourned at 11:30 a.m., to go into executive session.

APPROVED March 15, 1974



Ralph W. Bilby, Chairman

Also present at meeting:

Dr. Joseph F. Schreiber
Department of Geosciences
University of Arizona
Tucson, Arizona

Mr. A. K. Doss
State Land Department
Phoenix, Arizona