

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

Minutes of Meeting
November 15, 1974

Present:

Mr. Ralph W. Bilby, Chairman
Mr. W. Roger Hafford,
Vice Chairman
Mr. Robert A. Bledsoe, Member
Dr. Geoffrey E. H. Ballard,
Member

Absent:

Mr. F. Keith Benton, Member

The regular Commission meeting for the month of November, 1974 was called to order by Chairman Ralph Bilby at 10:40 a.m. at the conclusion of the hearing of Case No. 48.

Minutes of the meeting of October 18, 1974 were approved as written.

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

Executive Secretary advised that in accordance with instructions of the Commission to draft proposed rule changes concerning the number of wells to be covered by a multiple bond, consultation was had with Mr. Mikal F. Cronin, who is the President of the Surety Association of Arizona and is an Assistant Manager of the Fidelity and Deposit Company of Maryland. Mr. Cronin feels that should the Commission bond form be changed to specify that the bonding company's liability would be \$25,000 at all times, regardless of the number of claims which might be made against it, the cost of the bond and the difficulty in securing a bond would be increased.

After discussion, it was agreed that no action would be taken at this time to change the bond form.

As previously instructed by the Commission, the Executive Secretary reported on the problem of a well site not being located at the specific place indicated on the plat submitted by a registered engineer. The Photogrammetry and Mapping Services of the Highways Division, Department of Transportation, Arizona, will photograph well sites at the request of the Commission. The only charge will be the cost of processing the photographs. In most cases, there is no deliberate attempt to deceive the Commission by furnishing incorrect information and the photographs will be sufficient evidence to require the filing of a new plat.

Executive Secretary advised that he has appeared before a member

of the Joint Legislative Budget Committee to discuss the Commission requested budget for the 1975-76 fiscal year. The Committee will recommend approval of the budget by the Legislature with the exception of the out-of-state travel request, which they will recommend remain at the 1974-75 level.

Executive Secretary advised that, on instructions of the Commission, a letter was sent on October 18, 1974 to Mr. John McGowan of the Attorney General's office, requesting an opinion as to whether the profession of Dr. Ballard, newly appointed member of the Commission, as a geologist and geophysicist might be a conflict of interest with his duties as a member of the Commission. Mr. McGowan declined to issue a written opinion but stated that Dr. Ballard would have to use his own judgment as to whether any particular consulting job would be a conflict of interest.

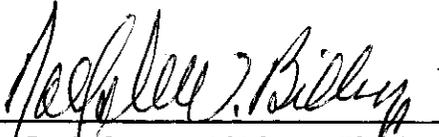
Dr. Schreiber advised that the University of Arizona has noted a large increase in procuring services of graduating geology students. Dr. Cotera advised that Northern Arizona University, also, has experienced much increase in securing the services of graduating students, as well as securing the summer services of undergraduates.

After discussion, Executive Secretary was instructed to proceed with plans to reintroduce a house bill to provide for a severance tax on oil, natural gas, helium and geothermal resources. The bill was introduced in the last session of the Legislature, but did not pass all committees.

As the 1974 Annual Meeting of the Interstate Oil Compact Commission will be held in Phoenix on December 8 to 11, 1974, it was agreed that as many members of the Commission and staff as possible should plan to attend all sessions. The regular Commission meeting will be held at 1:30 p.m. on December 11, 1974, to coincide with the conclusion of the Compact Commission meeting.

Meeting adjourned at 11:50 a.m.

APPROVED December 11, 1974



Ralph W. Bilby, Chairman

Also present at meeting:

Dr. Augustus Cotera
Department of Geology
Northern Arizona University
Flagstaff, Arizona

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