

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

Minutes of Meeting  
February 21, 1975

Present:

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

Absent:

Dr. Geoffrey E. H. Ballard,  
Member

The regular Commission meeting for the month of February, 1975 was called to order by Chairman Ralph Bilby at 10:00 a.m.

Minutes of the meeting of January 17, 1975 were approved as written.

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

Executive Secretary advised that a reply has been received to the letter written to Senator Fannin requesting that he investigate with the Bureau of Land Management the reason why neither competitive nor non-competitive geothermal leases have been granted on Federal land. Senator Fannin will contact the Bureau for information on their leasing program and will advise the Commission of their reply.

Out-of-state travel was approved for the Executive Secretary to attend a meeting of the Executive Committee of the Interstate Oil Compact Commission in New Orleans on February 28, 1975.

Director of Enforcement Section advised that the Commission can expect to hold a hearing at the March 21, 1975 meeting, as Clinton Oil Company wishes to drill a well in an unorthodox location in Apache County.

Dr. Allan Cree, who has been named by the American Association of Petroleum Geologists as an advisor to Senator Fannin on petroleum matters, advised the Commission that, in his opinion, the only chance for the United States to alleviate the energy situation is to endorse strip mining of coal. According to Dr. Cree, all other potential sources of energy, exclusive of oil and gas, are in stages of infancy and could not make a dent in the demands.

Chairman Ralph Bilby advised the Commission that a request, directed to all departments, was received from Governor Castro

requesting that the current budget (1974-1975) be cut by 5% for the remainder of the fiscal year. This is not a mandatory reduction but rather a target, and monthly reports will be required for the remainder of the fiscal year to indicate what gains have been made. Since the first report was due February 10, 1975, Chairman Bilby advised that he had instructed the Executive Secretary to prepare and submit a report as the "staff's suggestion", to be approved by the Commission at the February 21, 1975 meeting. After discussion, the "staff's suggestion" of a 2.7% estimated reduction was adopted as the Commission's official estimate.

The Commission was also instructed by Governor Castro to cut the proposed budget for the 1975-1976 fiscal year by 10%. As the landlord for the Commission offices has demanded a 40% increase in rent for 1975-1976, an effective way to decrease the budget is to move to smaller, less expensive quarters. Executive Secretary advised that suitable quarters have been found at 8686 North Central Avenue. The property is owned by Diversified Investments and is on the list of locations supplied by the State Planning Office. The cost will be \$5.50 per foot per annum. The lowest bid to date for moving is an estimated \$959 for moving the office furniture to the Central Avenue location and \$1,008 for moving the earth samples to the storage building on East Van Buren which is loaned to the Commission by the State Department of Public Safety. By moving the earth samples to the storage location, less office space will be required.

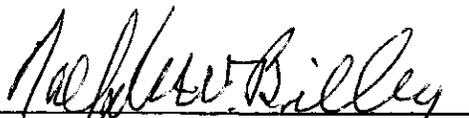
Further aspects of reducing the budget the required 10% were considered and it was then moved and passed that the proposed reduction as prepared by the Executive Secretary be approved.

It was moved and passed that the Commission accept the rental offer of Diversified Investments for the office space at 8686 North Central Avenue, subject to approval of the Attorney General and the Planning Office.

Commission adjourned at 12:00 Noon to go into Executive Session.

APPROVED

March 21, 1975

  
\_\_\_\_\_  
Ralph W. Bilby, Chairman

Also present:

Dr. Allan Cree

Mr. A. K. Doss  
State Land Department

Mr. Bill King  
Arizona Republic

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