

THURSDAY, FEBRUARY 28, 1963

Expansion Of Oil Industry Cited As State Need

An expanded oil and gas industry can lift some of the tax burden from home owners in Arizona, Phoenix Chamber of Commerce members were told today at a noon luncheon.

Noel E. Ludewick, executive secretary of the Arizona Oil and Gas Association, one of four speakers on the program, cited tax loads carried by the industry in other states — New Mexico with 38.7 per cent of taxable valuation and Wyoming with 39.91 per cent — and said Arizona's oil and gas industry "can and will assume a larger share of the tax burden through expanded activities."

JAMES A. PICKETT, president of the association, pointed out that with a well density in Arizona of less than one drilled per every 300 square miles, the oil potential in Arizona is virtually untested.

Requirements for discovery and recovery of oil in commercial quantities are present in Arizona, explained Dr. Willard D. Pye, professor of geology at University of Arizona. He listed four fundamental requirements as source beds, adequate reservoirs, traps to catch migrating oil and gas in quantity to form commercial accumulation and adequate cover to prevent escape of trapped oil and gas. All exist in Arizona, he said.

E. R. RICHARDSON, independent oil operator from Albuquerque, N.M., described plans for drilling in Kaibab North game preserve. He said that out of a possible field of 50,000 surface acres, only about 800 acres of land would be disturbed. Of this, more than 70 per cent would be reseeded. The preserve is north of the Grand Canyon.

He also noted that no plants or living quarters would be established within the boundaries of Kaibab, and he explained that if hunting follows same pattern as San Juan Basin in New Mexico, it will improve. He said deer kills there increased more than fourfold from 1955 to 1960, despite 2,887 wells being drilled.

(THIS WEEK IN Washington, Interior Secretary Stewart Udall announced opening of the game preserve to oil and gas exploration. The announcement brought an immediate protest from Arizona Game Protective Commission.)

The membership luncheon was held in Hotel Westward Ho, and a question and answer period followed talks. New members were introduced by Bill Lester, vice president of station KOY.