

Case No.

404

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Application, Transcript,  
Small Exhibits, Etc.

CASE 404: J. P. Cusack application for recovery of back allowable on certain leases in Hobbs Pool, Lea County, NM.

1952

*Walter*

10 Miles away

10  
11  
12

6346

41819

410429

1390

101

1380

1950 Standard Oil Corp April 2.6. 3-19-38  
1951 1952

Wilson RUNS

Other Hunt.

Other Hunt

Account 1-1-50					
11 Miles & Co					
1302	1304	1488	1488	1581	1585
1260	1217	1400	1400	1537	1535
1302	1350	1612	1612	1643	1640
1260	1246	1560	1580	1590	1587
1302	1311	1612	1589		
1350	1338	1560	1576		
1457	1435	1612	1611		
1519	1348	1612	1639		
1500	1500	1590	1234		
1488	1583	1643	1979		
1440	1440	1530	1533		
1488	1576	1581	1569		
1668	1668	1800	18700	6351	6347

John (William) Burns

41819  
41805  
14  
-11  
3

1950 Samuelson Oil Corp, August 3-A 3-19-38 1952

Altman Runa Altman Runa Altman Runa

1-1-50 43 Sheet

1301	1306	1488	1488	1581	1585
1260	1217	1400	1400	1537	1535
1301	1350	1612	1612	1643	1640
1230	1216	1560	1580	1590	1587
1271	1280	1612	1589		
1320	1309	1560	1556		
1426	1404	1612	1611		
1488	1317	1612	1639		
1470	1470	1590	1233		
1457	1553	1643	1979		
1410	1410	1530	1532		
1457	1563	1581	1569		
16393	16393	18300	18788	6351	6347

2000 Samuelson  
Runa

41544  
41528  
16  
+43  
59

1850 Samuel & Co. Prop. Bay Mills 4-H 3-19-38 1912

Alfred Hunt

Alfred Hunt

Alfred Hunt

March 1-1-50

3 Account

1302	1303	1488	1498	1581	1585
1260	1217	1400	1400	1537	1535
1302	1350	1612	1612	1643	1641
1230	1245	1560	1580	1590	1587
1271	1280	1612	1589		
1320	1309	1560	1556		
1426	1402	1612	1612		
1488	1317	1612	1639		
1470	1420	1590	1233		
1457	1552	1643	1978		
1410	1410	1530	1532		
1457	1566	1581	1568		
16393	16393	1880	18787	6351	6348

Total Alfred Hunt

41544  
41528  
 16  
 -3  
 13

Denver Oil Corp. 1950 1951 1952 28-18.38

Altus Run

Altus Run

Altus Run

1-1-50 279 sheet

1333	1340	1488	1488	1581	1559
1260	1264	1400	1356	1537	1549
1302	1307	1612	1659	1643	1631
1290	1286	1500	1488	1590	1599
1333	1321	1612	1542		
1380	1325	1500	1569		
1488	1487	1570	1534		
1550	1553	1570	1566		
1530	1528	1590	1579		
1519	1562	1643	1653		
1470	1389	1530	1543		
1519	1579	1581	1595		
16974	16991	18536	18572	6351	6338

20th Century

41881

41901

20

+279

259

1952

Alfred  
Wink

James M. Smith

Decem. 1-1-50  
165th St

Henry	1302	1310	1488	1487	1581	1560
Wend	1260	1364	1400	1555	1537	1549
Wend	1302	1379	1612	1660	1643	1631
Wend	1260	1357	1500	1487	1590	1600
Wend	1302	1391	1612	1542		
Wend	1350	1346	1500	1570		
Wend	1457	1457	1550	1534		
Wend	1519	1523	1550	1566		
Wend	1600	1500	1590	1579		
Wend	1453	1532	1643	1653		
Wend	1440	1357	1530	1542		
Wend	1404	1549	1581	1595		
Wend	1663	1665	18556	18570	6351	6340

John Edward

41795  
41575  
220  
125  
361

Samuel Oil Corp. Mason B. 1-H. 28-18-38

	1950	1951	1952
Allen	Allen	Allen	Allen
1-1-50			
44 9/16			
1362	1309	1488	1492
1363	1366	1400	1367
1362	1304	1612	1634
1368	1358	1560	1568
1342	1398	1612	1608
1350	1349	1560	1572
1457	1435	1612	1585
1519	1552	1612	1608
1570	1494	1590	1592
1482	1546	1612	1655
1440	1375	1530	1582
1438	1478	1581	1582
16668	16634	18810	18852
		6351	6356

2-1-50 1-1-50

41819  
41892  
73  
- 41  
29

1928 Denmark oil corp. Moon B. & A 28.18.38  
1951 1952

Alfred Lund Alfred Lund Alfred Lund

From 1.1.50  
158 00

1312	1308	1488	1493	1581	1581
1360	1366	1400	1367	1537	1541
1302	1304	1612	1634	1643	1649
1360	1359	1560	1569	1590	1588
1362	1397	1612	1608		
1350	1350	1560	1571		
1457	1434	1612	1585		
1519	1552	1612	1608		
1500	1493	1590	1592		
1428	1546	1613	1654		
1440	1374	1531	1588		
1488	1478	1581	1582		
16662	16631	18808	18851	6351	6359

John Olsen (hus)

41819  
41819  
-0.1  
- 158  
158 sum

Stamilton Oil Corp. TURNER B. L. I. 34-18-38  
 1950 1951 1952

Down 1-1-30  
 170 c.w.u.

	Down	Turner	Turner	Turner	Turner
Down	1302	1268	1408	1532	1581
1950	1260	1265	1400	1402	1537
1951	1302	1327	1612	1562	1643
1952	1260	1379	1560	1460	1590
1953	1302	1108	1612	1762	1646
1954	1350	1523	1560	1561	
1955	1457	1468	1612	1612	
1956	1519	1354	1612	1628	
1957	1500	1358	1590	1587	
1958	1488	1391	1643	1645	
1959	1446	1445	1530	1539	
1960	1488	1487	1581	1528	
1961	1668	16613	18800	18818	6351
					6368

Stamilton Oil Corp.

41819  
 41859  
 40 c.w.u.  
 140  
 180

# Shenandoah Oil Corp. Turner B-2-P 34-18-38

1950

1951

1952

Turner

Turner

Turner

From 11.50  
63 over

1362	1365	1488	1459	1581	1616
1365	1366	1490	1320	1537	1571
1392	1396	1612	1628	1643	1645
1366	1372	1560	1566	1590	1589
1302	1357	1612	1595		
1350	1352	1560	1545		
1457	1413	1612	1632		
1519	1586	1612	1637		
1500	1495	1590	1588		
1488	1504	1643	1664		
1445	1453	1532	1554		
1485	1479	1581	1509		
1668	1672	1880	18757	6351	6361

John D. Turner

41819  
41790  
- 63  
34 over

Revised 8/13/54  
Recommended action - wait it  
out at issue, and may as well let  
the press for settling -  
10274 X

OIL CONSERVATION COMMISSION

P. O. BOX 871  
SANTA FE, NEW MEXICO

August 4, 1952

*for a few minutes*

C

O

P

Y

Mr. John P. Cusack  
Frazier, Quantius and Cusack  
Roswell, New Mexico

Dear Jack:

This Commission respectfully suggests that you make application for open hearing to determine how the matter of back allowable shall be handled. We feel it would be well to get the views of other operators, and we also feel that the intelligence of the operators will be necessary to the Commission to determine a method for allocation and book-keeping.

Our next regular hearing is called for August 19. There is no time for advertising proper notice for that hearing, so we suggest that you apply for the September 16 hearing.

Very truly yours,

RRS:W

Secretary and Director

LAKE J. FRAZIER  
LELAND M. QUANTIUS  
JOHN P. CUSACK

Frazier, Quantius and Cusack

ATTORNEYS AT LAW

P. O. BOX 942

123 WEST FOURTH STREET

Roswell, New Mexico

July 31, 1952

Oil and Gas Conservation Commission  
Santa Fe  
New Mexico

Attention: Dick Spurrier

Dear Dick:

Enclosed you will find a clipping which indicates that the State of Oklahoma is allowing the operators to run the lowest allowables which occurred in the general strike of May, 1952.

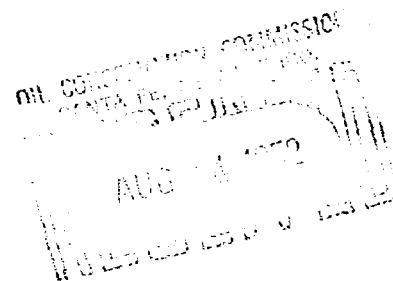
Sincerely yours,

FRAZIER, QUANTIUS AND CUSACK

BY

John P. Cusack

JPC:abf



**KSEL  
950 LBS**

Cattle Mkts.: Frolica.  
Scoreboard.  
Agt., PMA.  
Trading Post; Exch.

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### Seminole Infantryman Promoted To Private First Class In Korea

SEMINOLE, July 29. (Special)—  
John M. Ancell of Seminole recently  
was promoted to private first  
class while serving with the 25th  
Infantry Division in Eastern Korea.

The 25th, approaching its third  
year on the peninsula, held off the  
Reds at Pusan in the summer of  
1950. Now the senior unit in Korea,  
it patrols are harassing enemy  
positions northwest of the Punch-  
bowl.

Ancell, an automatic rifleman in  
the 35th Regiment's Company K,  
was engaged in farming in civilian  
life.

### Oklahoma Crude Allowables Hiked For Months Of August, September

OKLAHOMA CITY, July 29 (AP)—  
The State Corporation Commis-  
sion, answering a demand for more  
crude oil, today set a production  
allowable of 499,921 barrels daily  
for August and September.

This is an increase of 10,400 bar-  
rels daily over the July allowable  
and compared with present produc-  
tion of 521,000 barrels daily. Pres-  
ent production is exceeding the al-  
lowable since permits have been  
granted operators to run "under-  
production" created by the general  
strike in May.

Lubbock, (Tex.).

### 4-H Camp Plainview

PLAINVIEW.  
Approximately  
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4-H County ca  
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All 4-H mer-  
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roll, a sack f  
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Friday.

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ability to go with

**LEWIS' FEATURE  
ADVERTISED**

LAKE J. FRAZIER  
LELAND M. QUANTIUS  
JOHN P. CUSACK

Frazier, Quantius and Cusack  
ATTORNEYS AT LAW  
P. O. BOX 942  
123 WEST FOURTH STREET  
Roswell, New Mexico

August 16, 1952

2-5005

*Sept hearing*

The Oil Conservation Commission  
Santa Fe  
New Mexico

Attention: R. R. Spurrier, Secretary

Dear Dick:

Enclosed you will find original and  
two copies of Application in regard to the  
allocation of the back allowables. We  
presume that this application may be heard  
on September 16, 1952.

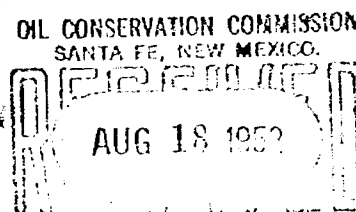
Sincerely yours,

FRAZIER, QUANTIUS AND CUSACK

BY John P. Cusack

JPC:abf

*Amended Application*



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES.

CASE NO. \_\_\_\_\_

APPLICATION

Comes now, John P. Cusack, an individual operating in the  
State of New Mexico, and in particular, Hobbs, New Mexico, and  
respectively shows to the Oil Conservation Commission of the  
State of New Mexico:

1. That your petitioner owns oil and gas producing property  
located in the Hobbs Pool, Lea County, New Mexico.

2. That during the month of May, through no fault of your  
petitioner there happened a national oil refinery strike and  
that because of said strike your petitioner was not allowed  
to run through the pipe lines the oil allocated by this com-  
mission to be run by him.

3. That at the same time and same place other oil and gas  
producers in the Hobbs Pool, not affected by the strike ran  
100% of their allowables thereby reducing and draining the  
reservoir of oil rightfully belonging to your petitioner and  
his royalty holders.

WHEREFORE, your petitioner respectfully requests that this  
commission consider means and methods by which the back al-  
lowables lost through the result of strike action may be made  
up equitably for the benefit of your applicant and other  
applicants similarly situated in conformity with the pro ration  
laws of the State of New Mexico.

Respectfully submitted,

John P. Cusack Jr.  
Agent for John P. Cusack

See Amended Application

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES

CASE No. 404

AMENDED APPLICATION

Comes now, John P. Cusack, an individual operating in the State of New Mexico, and in particular, Hobbs, New Mexico, and respectively shows to the Oil Conservation Commission of the State of New Mexico:

1. That your petitioner owns oil and gas producing property located in the Hobbs Pool, Lea County, New Mexico, more specifically described as follows:

- (a) The NE $\frac{1}{4}$  of Section 3 Township 19 South, Range 38 East, commonly referred to as the Byers lease.
- (b) The NE $\frac{1}{4}$  of Section 28 Township 18 South, Range 38 East, commonly referred to as the Moon lease, A and B.
- (c) The E $\frac{1}{2}$  of the SE $\frac{1}{4}$  of Section 34 Township 18 South, Range 38 East, commonly referred to as the Turner B lease.

2. That during the month of May, through no fault of your petitioner there happened a national oil refinery strike and that because of said strike your petitioner was not allowed to run through the pipe lines the oil allocated by this commission to be run by him.

3. That at the same time and same place other oil and gas producers in the Hobbs Pool, not affected by the strike ran 100% of their allowables thereby reducing and draining the reservoir of oil rightfully belonging to your petitioner and his royalty holders.

WHEREFORE, your petitioner respectfully requests that this commission consider means and methods by which the back allowables

lost through the result of strike action may be made up equitably  
for the benefit of your applicant and other applicants similarly  
situated in conformity with the pro ration laws of the State  
of New Mexico.

Respectfully submitted,

John P. Cusack Jr.  
Agent for John P. Cusack

LAKE J. FRAZIER  
LELAND M. QUANTIUS  
JOHN P. CUSACK

Frazier, Quantius and Cusack

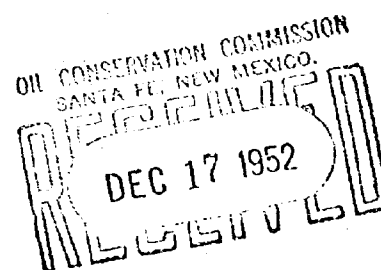
ATTORNEYS AT LAW

P. O. BOX 942

123 WEST FOURTH STREET

Roswell, New Mexico

December 16, 1952



New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

ATTENTION: R. R. Spurrier, Secretary

Re: Case No. 404  
Order No. R-231

Dear Sir:

Enclosed you will find an original and two copies of a Motion for a Re-Hearing, in the above styled cause.

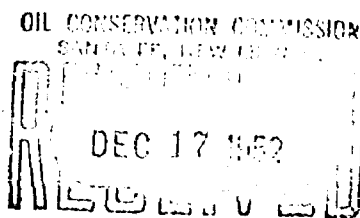
We would appreciate knowing within the ten-day period whether you grant or deny said Motion, so that we may gauge our actions accordingly.

Sincerely yours,

FRAZIER, QUANTIUS & CUSACK

By *John P. Cusack*

JPC: smr  
Enc.



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 404  
ORDER NO. R-231

THE APPLICATION OF JOHN P. CUSACK  
FOR AN ORDER GRANTING PERMISSION  
TO RECOVER BACK ALLOWABLE FROM  
THE BYERS LEASE IN NE/4 SECTION 3,  
TOWNSHIP 19 SOUTH, RANGE 38 EAST;  
THE MOON ('A' AND 'B') LEASE, NE/4  
SECTION 28, TOWNSHIP 18 SOUTH, RANGE  
38 EAST; AND THE TURNER 'B' LEASE,  
E/2 SE/4, SECTION 34, TOWNSHIP 18  
SOUTH, RANGE 38 EAST, SAID LEASES  
BEING IN THE HOBBS POOL, LEA COUNTY,  
NEW MEXICO, AND PRESENTLY BEING  
OPERATED BY SAMEDAN OIL CORPORATION.

MOTION FOR A RE-HEARING

COMES NOW, John P. Cusack, an individual operating  
in the State of New Mexico, and in particular, Hobbs, New  
Mexico, and respectfully shows to the Oil Conservation Com-  
mission of the State of New Mexico, the following:

1. That paragraph six (6) of the findings of the  
Commission is not based upon substantial evidence presented  
to the Commission at the time of the original hearing.

2. There is no finding of the Commission, nor is  
there any evidence upon which to base a finding, that to allow  
your Petitioner his back allowable would constitute waste as  
that term is defined by the laws of the State of New Mexico.

3. That to refuse to allow your Petitioner to make  
up the back allowables lost through no fault of his own,  
would be to directly violate the laws of the State of New  
Mexico, as set out in the 1949 Statutes, Chapter 168, Section  
13 (a), in that the Commission would deprive the Petitioner

1 of his just and equitable share of the oil in the Hobbs  
2 Pool; that in refusing to allow your Petitioner to make up  
3 his back allowables lost through no fault of his own, the  
4 Commission would violate the doctrine of correlative rights,  
5 as they are defined in the 1949 Session Laws, Chapter 168  
6 Section 26, Sub-section (h).

7 4. That at the time of the oil refinery strike in  
8 May of 1952, during which time your Petitioner under-produced  
9 a total of 8,414 barrels, your Petitioner was operating under  
10 and complying with the rules of the Commission to-wit:  
11 Rule 503; that your Petitioner complied with Section (f), of  
12 Rule 503, and requested this Commission to allow him to make  
13 up the back allowables under 503 (f), Sub-section 1, "failure  
14 of producer or transporter to run assigned oil allowable,"  
15 and that said application was filed within 90 days from the  
16 occurrence of the shortage; that for this Commission to  
17 attempt to apply Order No. R-98A, which was to take effect  
18 the First day of July, 1952, and by Order No. R-98A, deprive  
19 your applicant of his right to make up legal back allowable  
20 oil would be to deprive him of property without due process  
21 of law, which would be contrary to the Constitution of the  
22 State of New Mexico, and the Constitution of the United States  
23 of America.

24 5. That in refusing to allow your Petitioner to  
25 make up his back allowable of legal oil by means of  
26 administrative order, No. R-98A, would be an invalid act on  
27 the part of this Commission because it would not be in con-  
28 formity with the Session Laws of 1949, Chapter 168, Section  
29 13, Sub-section (a).

30 6. To refuse your Petitioner the right to make up  
31 the back allowable of legal oil, would be to violate the  
32 Session Laws of 1949, Chapter 168, Section 13 (a) and the

1 Session Laws of 1949, Chapter 168, Section 12, Sections (b),  
2 for in refusing to allow him to make up his back allowable,  
3 the Commission would condone by an order of this Commission,  
4 an act of waste, as set out in the Session Laws, of 1949,  
5 Chapter 168, Section 2, Sub-Section (d), in that the Commission  
6 would permit the non-ratable purchase or taking of crude  
7 petroleum oil from the Hobbs Pool, by the pipe lines.

8 7. Your Petitioner points out that finding No. 7 of  
9 the Commission's order in regard to the alternate proposal, in  
10 regard to cut back of allowables, was within the application  
11 filed herein and if the Oil Conservation Commission failed, in  
12 its advertisement, to bring said proposal within the call of a  
13 hearing, your Petitioner should not be penalized for the fail-  
14 ure of the Oil Conservation Commission to properly advertise  
15 the hearing.

16 WHEREFORE, Your Petitioner prays:

17 1. That a Re-Hearing be granted

18 2. That upon said re-hearing, the Commission con-  
19 sider the question of granting the back allowable to your  
20 Petitioner, and consider the alternate proposal to cut back  
21 allowables for wells in the Hobbs Pool, which, during the May  
22 1952 refinery strike, produced 100% of allowables assigned for  
23 that month

24 3. That said re-hearing be properly advertised

25 4. That your Petitioner be allowed to make up his  
26 back allowable, so that he may have the opportunity to make up  
27 the legal oil allocated to him, and so that he may have his just  
28 and equitable share of the oil in the Hobbs Pool, and his just  
29 and equitable share of the reservoir energy in said Hobbs Pool.

30 Respectfully submitted,

31 FRAZIER, QUANTUS & CUSACK

32 By John P. Cusack  
Attorneys for Petitioner  
Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 404  
ORDER No. R-231

THE APPLICATION OF JOHN P. CUSACK  
FOR AN ORDER GRANTING PERMISSION  
TO RECOVER BACK ALLOWABLE FROM  
THE BYERS LEASE IN NE/4 SECTION 3,  
TOWNSHIP 19 SOUTH, RANGE 38 EAST;  
THE MOON ('A' AND 'B') LEASE, NE/4  
SECTION 28, TOWNSHIP 18 SOUTH, RANGE  
38 EAST; AND THE TURNER 'B' LEASE,  
E/2 SE/4, SECTION 34, TOWNSHIP 18  
SOUTH, RANGE 38 EAST, SAID LEASES  
BEING IN THE HOBBS POOL, LEA COUNTY,  
NEW MEXICO, AND PRESENTLY BEING  
OPERATED BY SAMEDAN OIL CORPORATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 16, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this *28<sup>th</sup>* day of *November*, 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given as required by law, the Commission has jurisdiction of this case and the persons and subject matter thereof.
- (2) That the Commission on the 22nd day of April, 1952, allocated to the 257 wells in the Hobbs Pool, Lea County, New Mexico, a total allowable production of 11,564 barrels of oil per day for the month of May, 1952.
- (3) That during the month of May, 1952, a refinery strike was in effect which affected market demand for crude oil, and certain oil purchasing companies transporting crude oil from the Hobbs Pool imposed "pipe line proration" whereby they took crude oil as ratably as possible from the storage facilities to which they were connected. Among these were the storage facilities of the petitioner.
- (4) That there were other crude oil transporting companies, connected to storage facilities in the Hobbs Pool, which were not affected by the refinery strike during the month of May, 1952.

CASE NO. 404 - - - ORDER NO. R-231

(5) That during the month of May, 1952, the petitioner's ten wells located on:

- (a) the Byers Lease, NE/4 Section 3, Township 19 South, Range 38 East, NMPM,
- (b) the Moon 'A' and 'B' Leases, NE/4 Section 28, Township 18 South, Range 38 East, and
- (c) the Turner 'B' Lease, E/2 SE/4 Section 34, Township 18 South, Range 38 East,

all in the Hobbs Pool, Lea County, New Mexico, and being operated by the Samedan Oil Corporation, underproduced a total of 8414 barrels.

(6) That the granting of "back allowable" to those wells in the Hobbs Pool affected by the refinery strike, when added to the normal allowables presently assigned the wells in the Hobbs Pool, would create excessive withdrawals from the Hobbs Pool reservoir.

(7) That the alternate proposal submitted by the petitioner to cut back allowables for wells in the Hobbs Pool, which, during the May 1952 refinery strike, produced 100 percent of allowables assigned for that month, was not within the call of the hearing.

IT IS THEREFORE ORDERED:

That the amended petition filed herein be and the same hereby is dismissed.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



GUY SHEPARD, Member



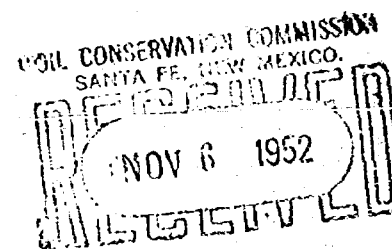
R. R. SPURRIER, Secretary

SEAL

CARL H. GILBERT  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. KOCH

GILBERT, WHITE AND GILBERT  
ATTORNEYS AND COUNSELORS AT LAW  
BISHOP BUILDING  
SANTA FE, NEW MEXICO

November 5, 1952



Mr. Dick Spurrier  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Spurrier:

Enclosed herewith please find Order which I  
have prepared in the John P. Cusack matter.

Very truly yours,

*L. C. White*  
L. C. WHITE

LCW-c  
enclosure

*Case 404*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES

CASE No.

BY THE COMMISSION

*Proposed*  
ORDER

This cause having come on for hearing at 9 o'clock  
A. M. on the \_\_\_\_\_ day of \_\_\_\_\_, 1952 at Santa Fe, New  
Mexico, before the Oil Conservation Commission hereinafter re-  
ferred to as the "Commission".

NOW on the \_\_\_\_\_ day of November, 1952 the Commission,  
a quorum being present, having considered the amended applica-  
tion, testimony adduced and being otherwise fully advised in  
the premises.

FINDS:

That the applicant has failed to establish either in  
fact or in law that he is entitled to the relief prayed for.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the  
amended application for an order granting permission to recover  
back allowables be and the same hereby is denied.

Done at Santa Fe, New Mexico on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES

CASE No. \_\_\_\_\_

AMENDED APPLICATION

Comes now, John P. Cusack, an individual operating in the State of New Mexico, and in particular, Hobbs, New Mexico, and respectively shows to the Oil Conservation Commission of the State of New Mexico:

1. That your petitioner owns oil and gas producing property located in the Hobbs Pool, Lea County, New Mexico, more specifically described as follows:

- (a) The NE $\frac{1}{4}$  of Section 3 Township 19 South, Range 38 East, commonly referred to as the Byers lease.
- (b) The NE $\frac{1}{4}$  of Section 28 Township 18 South, Range 38 East, commonly referred to as the Moon lease, A and B.
- (c) The SE $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 34 Township 18 South, Range 38 East, commonly referred to as the Turner B lease.

2. That during the month of May, through no fault of your petitioner there happened a national oil refinery strike and that because of said strike your petitioner was not allowed to run through the pipe lines the oil allocated by this commission to be run by him.

3. That at the same time and same place other oil and gas producers in the Hobbs Pool, not affected by the strike ran 100% of their allowables thereby reducing and draining the reservoir of oil rightfully belonging to your petitioner and his royalty holders.

WHEREFORE, your petitioner respectfully requests that this commission consider means and methods by which the back allowables

lost through the result of strike action may be made up equitably for the benefit of your applicant and other applicants similarly situated in conformity with the pro ration laws of the State of New Mexico.

Respectfully submitted,

John P. Cusaack Jr.  
Agent for John P. Cusaack

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES.

CASE NO. \_\_\_\_\_

APPLICATION

Comes now, John P. Cusack, and individual operating in the State of New Mexico, and in particular, Hobbs, New Mexico, and respectively shows to the Oil Conservation Commission of the State of New Mexico:

1. That your petitioner owns oil and gas producing property located in the Hobbs Pool, Lea County, New Mexico.
2. That during the month of May, through no fault of your petitioner there happened a national oil refinery strike and that because of said strike your petitioner was not allowed to run through the pipe lines the oil allocated by this commission to be run by him.
3. That at the same time and same place other oil and gas producers in the Hobbs Pool, not affected by the strike ran 100% of their allowables thereby reducing and draining the reservoir of oil rightfully belonging to your petitioner and his royalty holders.

WHEREFORE, your petitioner respectfully requests that this commission consider means and methods by which the back allowables lost through the result of strike action may be made up equitably for the benefit of your applicant and other applicants similarly situated in conformity with the pro ration laws of the State of New Mexico.

Respectfully submitted,

/s/ John P. Cusack, Jr.  
Agent for John P. Cusack

*J. C. White*  
ROUGH DRAFT - October 21, 1952

FINDS:

(1) That the Commission on the \_\_\_\_\_ day of April (?), 1952, issued Proration Order No. \_\_\_\_\_ allocating to the more than 200 wells in the Hobbs Pool \_\_\_\_\_ BOPD for the month of May, 1952.

(2) That a refinery (?) strike was in effect which affected market demand and certain oil purchasing and transportation companies imposed "pipe line proration"; among these were those to whose facilities the Petitioner's wells were connected, pro rata with others so connected.

(3) That the alternative proportion submitted by the Petitioner to cut back allowables for wells in the Hobbs Pool, which, during the May, 1952 refinery strike, ran 100 % of allowable for that month, was not within the call of the hearing.

(4) That the Petitioner has failed to establish upon the facts and the law that he is entitled to make up by increased allowables his under-production for May, 1952, the result of pipe line proration without adversely affecting the reservoir.

IT IS THEREFORE ORDERED:

THAT the amended petition filed herein be and the same is hereby dismissed.

*Charles:*

*will you edit and return?*

*RS*

*10/27*

OIL CONSERVATION COMMISSION

P. O. BOX 871  
SANTA FE, NEW MEXICO

December 1, 1952

C  
O  
P  
Y

Mr. J. P. Cusack  
3724 Country Club Circle  
Fort Worth, Texas

Dear Mr. Cusack:

We are sending you herewith a signed copy of Order No. R-231 which was signed on November 28, 1952, in Case 404, which was heard on September 16, 1952, before the New Mexico Oil Conservation Commission.

Yours very truly,

W. B. Macey  
Chief Engineer

WBM:nr

cc: Frazier, Quantius and Cusack  
P. O. Box 942  
Roswell, New Mexico

JAN 15 1953

## SUMMONS

3/5

In the District Court, County of <sup>Lea</sup> ~~Chaves~~, State of New Mexico

\_\_\_\_\_, Plaintiff

vs.

IN THE MATTER OF THE PETITION  
OF JOHN P. CUSACK FOR REVIEW  
AND APPEAL OF PROCEEDINGS  
BEFORE THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO IN CASE NO. 404, AND FROM  
ORDER NO. R-231, ENTERED  
THEREIN.

\_\_\_\_\_, Defendant

No. 10516

## The State of New Mexico

To OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

\_\_\_\_\_, Defendant

## DEFENDANT—GREETING:

You are hereby commanded to appear before the Fifth Judicial District Court of the State of New Mexico, sitting within and for the County of <sup>Lea</sup> ~~Chaves~~, that being the county in which the complaint herein is filed, within thirty days after the service of this summons, then and there to answer the complaint of

the above named Plaintiff..... in the above cause.

You are notified that unless you so appear and answer, the Plaintiff..... will apply to the Court for the relief demanded in the complaint together with the costs of suit.

WITNESS the Honorable C. ROY ANDERSON, District Judge of the Fifth Judicial District Court of the State of New Mexico, and the seal

of the District Court of <sup>Lea</sup> ~~Chaves~~ County, this 12th day of

JANUARY, 1953

W. M. Beauchamp ~~W. M. Beauchamp~~ ClerkBy Lucille B. Lister, Deputy

## ENDORSEMENT

The number and style of this case is as stated above.

A statement of the nature of the action in general terms is Petition for Review  
and Appeal of Proceedings

as per copy of complaint hereto attached

FRAZIER AND CUSACK, P. O. Box 942, Roswell, New Mexico

Attorney or Attorneys for Plaintiff. Office and Post Office Address, Roswell, New Mexico.

(Sheriff's return when service is made personally on defendants.)

STATE OF NEW MEXICO,

} ss.

County of .....

I, ..... Sheriff of ..... County,  
State of New Mexico, do hereby certify, that I served the within summons by delivering a copy thereof,  
with copy of complaint attached, in the county aforesaid, in person to .....

Dated: .....

....., Sheriff

Fees: .....

By .....

....., Deputy

(Sheriff's return when service is made on defendants by leaving copy at usual place of abode.)

STATE OF NEW MEXICO,

} ss.

County of .....

I, ..... Sheriff of ..... County,  
State of New Mexico, do hereby certify, that I served the within summons .....

Date

by delivering a copy thereof, with copy of complaint attached, in the county aforesaid, to .....  
..... a person over fifteen years of age, residing at  
the usual place of abode of defendant .....

....., who at the time of such service was absent therefrom.

Dated: .....

....., Sheriff

Fees: .....

By .....

....., Deputy

(Return when service is made personally on defendants by other than Sheriff.)

STATE OF NEW MEXICO,

} ss.

County of .....

..... being duly sworn, upon his oath, says, I am over the age of  
eighteen years, I served the within summons by delivering a copy thereof, with copy of complaint at-  
tached, in the county aforesaid, in person to .....

Fees: .....

Subscribed and sworn to before me this ..... day of ....., 19.....

(Return when service is made on defendants by other than Sheriff by serving some one residing at usual  
place of abode of defendant who is then absent.)

STATE OF NEW MEXICO,

} ss.

County of .....

..... being duly sworn, upon his oath says, I am over the age of  
eighteen years, I served the within summons .....  
by delivering a copy thereof, with copy of complaint attached, in the county aforesaid to .....  
..... a person over fifteen years of age, residing at the  
usual place of abode of defendant .....  
..... who at the time of such service was absent therefrom.

Fees: .....

Subscribed and sworn to before me this ..... day of ....., 19.....

IN THE DISTRICT COURT OF LEA COUNTY

STATE OF NEW MEXICO

IN THE MATTER OF THE PETITION )  
OF JOHN P. CUSACK FOR REVIEW )  
AND APPEAL OF PROCEEDINGS )  
BEFORE THE OIL CONSERVATION )  
COMMISSION OF THE STATE OF NEW )  
MEXICO IN CASE NO. 404, AND )  
FROM ORDER NO. R-231, ENTERED )  
THEREIN. )

NO. 10516

COMES NOW, John P. Cusack, and for his Petition  
for Review of the Action of the Oil Conservation Commission of  
the State of New Mexico, in the above-styled and numbered  
case, alleges and states:

1. That your Petitioner on or about the 18th day  
of August, 1952, filed in the office of the Oil Conservation  
Commission, an Application which is marked "Exhibit A" appended  
hereto, and made a part hereof, as if set out in full.

2. That your Petitioner amended said Application  
and filed his Amended Application in the Office of the Oil  
Conservation Commission on or about August 27, 1952. A copy  
of said Amended Application is marked "Exhibit B", appended  
hereto and made a part hereof, as if set out in full. Said  
Application briefly stated that your Petitioner owns oil and  
gas producing property in the Hobbs Pool, Lea County, New  
Mexico. Your Petitioner, in said Application pointed out  
to the Commission that during the month of May, 1952, through  
no fault of his, a national oil refinery strike prevented him  
from running through the pipe lines, the oil allocated by the  
Commission to be run by him. That during this same period,  
other producers in the Hobbs Pool, not affected by the oil  
refinery strike, ran 100 percent of their allowables, reducing  
and draining the reservoir of oil belonging to your Petitioner

and his royalty holders. Your Petitioner asked the Commission to consider means and methods by which the back-allowables lost through the result of strike action could be made up equitably by himself and other operators similarly situated.

3. That said Amended Application was given the case number of 404, and was heard at 9:00 o'clock A. M. on September 16th, 1952, at Santa Fe, New Mexico.

4. That on the 28th day of November, 1952, the Commission entered its order No. R-231, denying and dismissing the Amended Petition marked "Exhibit B". A copy of the said Order of the Commission is marked "Exhibit C", appended hereto, and made a part hereof, as if set out in full.

5. Within the statutory time allowed, your Petitioner, filed an application for a re-hearing in Case No. 404. This re-hearing was neither granted nor denied, but allowed to lapse according to the statutes so made and provided. A copy of the Motion for a Re-hearing is attached hereto, as "Exhibit D", and made a part hereof, as if set out in full.

6. Your Petitioner alleges that the Commission erred in issuing Order No. R-231, for the reasons set out in the Motion for the Re-hearing, which has been appended hereto and made a part of this Petition as "Exhibit D". Your Petitioner, in order to avoid redundancy will not repeat in this Petition the errors as pointed out in the Motion for a Re-hearing.

WHEREFORE, your Petitioner respectfully prays the Court, as authorized by Section 19B, Chapter 168 of the Laws of the State of New Mexico, 1949, that notice of this Petition for review be served in the manner provided for the service of

Summons in Civil Proceedings, upon the Oil Conservation Commission of New Mexico, by service upon R. R. Spurrier, Secretary and member of the Oil Conservation Commission, who resides and has his office in Santa Fe, New Mexico, and that this Petition be set for trial and upon the hearing thereof, that this Court review the action of the Oil Conservation Commission, herein complained of, and to enter its order vacating the order of the Commission, hereinabove referred to, and to enter its order in lieu thereof, allowing your Petitioner to make up the back-allowable oil lost by him in the national oil refinery strike, which occurred during the month of May, 1952.

John P. Cusack, Jr.

John P. Cusack, Jr.  
FRAZIER AND CUSACK  
P. O. Box 942  
Roswell, New Mexico

Exhibit A

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES.

CASE NO. \_\_\_\_\_

APPLICATION

Comes now, John P. Cusack, an individual operating in the State of New Mexico, and in particular, Hobbs, New Mexico and respectively shows to the Oil Conservation Commission of the State of New Mexico:

1. That your Petitioner owns oil and gas producing property located in the Hobbs Pool, Lea County, New Mexico.
2. That during the month of May, through no fault of your Petitioner, there happened a national oil refinery strike and that because of said strike your Petitioner was not allowed to run through the pipe lines the oil allocated by this Commission to be run by him.
3. That at the same time and same place other oil and gas producers in the Hobbs Pool, not affected by the strike, ran 100% of their allowables thereby reducing and draining the reservoir of oil rightfully belonging to your Petitioner and his royalty holders.

WHEREFORE, your Petitioner respectfully requests that this Commission consider means and methods by which the back allowables lost through the result of strike action may be made up equitably for the benefit of your applicant and other applicants similarly situated in conformity with the pro ration laws of the State of New Mexico.

Respectfully submitted,

John P. Cusack  
Agent for John P. Cusack

Exhibit B

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES

CASE No. \_\_\_\_\_

AMENDED APPLICATION

Comes now, John P. Cusack, an individual operating in the State of New Mexico, and in particular, Hobbs, New Mexico, and respectively shows to the Oil Conservation Commission of the State of New Mexico:

1. That your petitioner owns oil and gas producing property located in the Hobbs Pool, Lea County, New Mexico, more specifically described as follows:

- (a) The NE $\frac{1}{4}$  of Section 3 Township 19 South, Range 38 East, commonly referred to as the Byers Lease.
- (b) The NE $\frac{1}{4}$  of Section 28 Township 18 South, Range 38 East, commonly referred to as the Moon lease, A and B.
- (c) The E $\frac{1}{2}$  of the SE $\frac{1}{4}$  of Section 34, Township 18 South, Range 38 East, commonly referred to as the Turner B lease.

2. That during the month of May, through no fault of your Petitioner, there happened a national oil refinery strike and that because of said strike your Petitioner was not allowed to run through the pipe lines the oil allocated by this Commission to be run by him.

3. That at the same time and same place other oil and gas producers in the Hobbs Pool, not affected by the strike ran 100% of their allowables thereby reducing and draining the reservoir of oil rightfully belonging to your Petitioner and his royalty holders.

WHEREFORE, your Petitioner respectfully requests that this commission consider means and methods by which the back

allowables lost through the result of strike action may be made up equitably for the benefit of your applicant and other applicants similarly situated in conformity with the pro ration laws of the State of New Mexico.

Respectfully submitted,

John P. Cusack  
Agent for John P. Cusack

Exhibit D

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 404  
ORDER NO. R-231

THE APPLICATION OF JOHN P. CUSACK  
FOR AN ORDER GRANTING PERMISSION  
TO RECOVER BACK ALLOWABLE FROM  
THE BYERS LEASE IN NE/4 SECTION 3,  
TOWNSHIP 19 SOUTH, RANGE 38 EAST;  
THE MOON ('A' AND 'B') LEASE, NE/4  
SECTION 28, TOWNSHIP 18 SOUTH, RANGE  
38 EAST; AND THE TURNER 'B' LEASE,  
E/2 SE/4, SECTION 34, TOWNSHIP 18  
SOUTH, RANGE 38 EAST, SAID LEASES  
BEING IN THE HOBBS POOL, LEA COUNTY,  
NEW MEXICO, AND PRESENTLY BEING OPER-  
ATED BY SAMEDAN OIL CORPORATION.

MOTION FOR A RE-HEARING

COMES NOW, John P. Cusack, an individual operating in  
the State of New Mexico, and in particular, Hobbs, New Mexico, and  
respectfully shows to the Oil Conservation Commission of the State  
of New Mexico, the following:

1. That paragraph six (6) of the findings of the  
Commission is not based upon substantial evidence presented to the  
Commission at the time of the original hearing.

2. There is no finding of the Commission, nor is there  
any evidence upon which to base a finding, that to allow your  
Petitioner his back allowable would constitute waste as that term  
is defined by the laws of the State of New Mexico.

3. That to refuse to allow your Petitioner to make up  
the back allowables lost through no fault of his own, would be to  
directly violate the laws of the State of New Mexico, as set out  
in the 1949 Statutes, Chapter 168, Section 13 (a), in that the  
Commission would deprive the Petitioner of his just and equitable  
share of the oil in the Hobbs Pool; that in refusing to allow your

Petitioner to make up his back allowables lost through no fault of his own, the Commission would violate the doctrine of correlative rights, as they are defined in the 1949 Session Laws, Chapter 168 Section 26, Sub-section (h).

4. That at the time of the oil refinery strike in May of 1952, during which time your Petitioner under-produced a total of 8,414 barrels, your Petitioner was operating under and complying with the rules of the Commission to-wit: Rule 503; that your Petitioner complied with Section (f), of Rule 503, and requested this Commission to allow him to make up the back allowables under 503 (f), Sub-section 1, "failure of producer or transporter to run assigned oil allowable," and that said application was filed within 90 days from the occurrence of the shortage; that for this Commission to attempt to apply Order No. R-98A, which was to take effect the first day of July, 1952, and by Order No. R-98A, deprive your applicant of his right to make up legal back allowable oil would be to deprive him of property without due process of law, which would be contrary to the Constitution of the State of New Mexico, and the Constitution of the United States of America.

5. That in refusing to allow your Petitioner to make up his back allowable of legal oil by means of administrative order, No. R-98A, would be an invalid act on the part of this Commission because it would not be in conformity with the Session Laws of 1949, Chapter 168, Section 13, Sub-section (a).

6. To refuse your Petitioner the right to make up the back allowable of legal oil, would be to violate the Session Laws of 1949, Chapter 168, Section 13 (a) and the Session Laws of 1949, Chapter 168, Section 12, Sections (b), for in refusing to allow him to make up his back allowable, the Commission would condone by an order of this Commission, an act of waste, as set out in the Session Laws, of 1949, Chapter 168, Section 2, Sub-Section (d), in that the Commission would permit the non-ratable purchase or taking of crude petroleum oil from the Hobbs Pool, by the pipe lines.

7. Your Petitioner points out that finding No. 7 of the Commission's order in regard to the alternate proposal, in regard to cut back of allowables, was within the application filed herein and if the Oil Conservation Commission failed, in its advertisement, to bring said proposal within the call of a hearing, your Petitioner should not be penalized for the failure of the Oil Conservation Commission to properly advertise the hearing.

WHEREFORE, Your Petitioner prays:

1. That a re-hearing be granted
2. That upon said re-hearing, the Commission consider the question of granting the back allowable to your Petitioner, and consider the alternate proposal to cut back allowables for wells in the Hobbs Pool, which, during the May 1952 refinery strike, produced 100% of allowables assigned for that month
3. That said re-hearing be properly advertised
4. That your Petitioner be allowed to make up his back allowable, so that he may have the opportunity to make up the legal oil allocated to him, and so that he may have his just and equitable share of the oil in the Hobbs Pool, and his just and equitable share of the reservoir energy in said Hobbs Pool.

Respectfully submitted,

FRAZIER, QUAINUS & CUSACK

By

John L. Cusack  
Attorneys for Petitioner  
Roswell, New Mexico

*"Exhibit C."*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 404  
ORDER NO. R-231

THE APPLICATION OF JOHN P. CUSACK  
FOR AN ORDER GRANTING PERMISSION  
TO RECOVER BACK ALLOWABLE FROM  
THE BYERS LEASE IN NE/4 SECTION 3,  
TOWNSHIP 19 SOUTH, RANGE 38 EAST;  
THE MOON ('A' AND 'B') LEASE, NE/4  
SECTION 28, TOWNSHIP 18 SOUTH, RANGE  
38 EAST; AND THE TURNER 'B' LEASE,  
E/2 SE/4, SECTION 34, TOWNSHIP 18  
SOUTH, RANGE 38 EAST, SAID LEASES  
BEING IN THE HOBBS POOL, LEA COUNTY,  
NEW MEXICO, AND PRESENTLY BEING  
OPERATED BY SAMEDAN OIL CORPORATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 16, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of November 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this case and the persons and subject matter thereof.

(2) That the Commission on the 22nd day of April, 1952, allocated to the 257 wells in the Hobbs Pool, Lea County, New Mexico, a total allowable production of 11,564 barrels of oil per day for the month of May, 1952.

(3) That during the month of May, 1952, a refinery strike was in effect which affected market demand for crude oil, and certain oil purchasing companies transporting crude oil from the Hobbs Pool imposed "pipe line proration" whereby they took crude oil as ratably as possible from the storage facilities to which they were connected. Among these were the storage facilities of the petitioner.

-2-

Case No. 404- - -Order No. R-231

(4) That there were other crude oil transporting companies, connected to storage facilities in the Hobbs Pool, which were not affected by the refinery strike during the month of May, 1952.

(5) That during the month of May, 1952, the petitioner's ten wells located on:

- (a) the Byers Lease, NE/4 Section 3, Township 19 South, Range 38 East, NMPM,
- (b) The Moon 'A' and 'B' Leases, NE/4 Section 28, Township 18 South, Range 38 East, and
- (c) The Turner 'b' Lease, E/2 SE/4 Section 34, Township 18 South, Range 38 East,

all in the Hobbs Pool, Lea County, New Mexico, and being operated by the Samedan Oil Corporation, underproduced a total of 8414 barrels.

(6) That the granting of "back allowable" to those wells in the Hobbs Pool affected by the refinery strike, when added to the normal allowables presently assigned the wells in the Hobbs Pool, would create excessive withdrawals from the Hobbs Pool reservoir.

(7) That the alternate proposal submitted by the petitioner to cut back allowables for wells in the Hobbs Pool, which, during the May 1952 refinery strike, produced 100 percent of allowables assigned for that month, was not within the call of the hearing.

IT IS THEREFORE ORDERED:

That the amended petition filed herein be and the same hereby is dismissed.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

S E A L

GILBERT, WHITE AND GILBERT  
ATTORNEYS AT LAW  
SANTA FE, NEW MEXICO

IN THE DISTRICT COURT OF LEA COUNTY  
STATE OF NEW MEXICO

IN THE MATTER OF THE PETITION  
OF JOHN P. CUSACK FOR REVIEW  
AND APPEAL OF PROCEEDINGS  
BEFORE THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO IN CASE NO. 404, AND  
FROM ORDER NO. R-231, ENTERED  
THEREIN.

No. 10516

Comes now Oil Conservation Commission of the State of New  
Mexico, and for its response to the Petition for Review in the  
above styled and numbered cause states:

1. That it admits the allegations contained in paragraphs  
numbered 1, 2, 3, 4 and 5 of the Petition for Review.

2. That it denies each and every allegation set forth in  
paragraph numbered 6 of said Petition for Review.

WHEREFORE, Oil Conservation Commission of the State of  
New Mexico prays that its Order No. R-231 be affirmed by this  
Honorable Court all at the costs of the petitioner herein.

OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

By Richard R. Spurrier  
Secretary and Member

I hereby certify that I have this 12<sup>th</sup> day of  
February, 1953, mailed a copy of the foregoing to Frazier and  
Cusack, P. O. Box 942, Roswell, New Mexico, they being the  
attorneys of record for the Petitioner herein.

[Signature]

LAKE J. FRAZIER  
LELAND M. QUANTIUS  
JOHN P. CUSACK

Frazier, Quantius and Cusack  
ATTORNEYS AT LAW  
P. O. BOX 942  
123 WEST FOURTH STREET  
Roswell, New Mexico

August 25, 1952



The Oil and Gas Conservation Commission  
Santa Fe  
New Mexico

ATTENTION: Mr. Macey

Dear Sir:

Enclosed you will find original and two  
copies of an amended application in regard to  
the original application made for John P.  
Cusack on August 16, 1952.

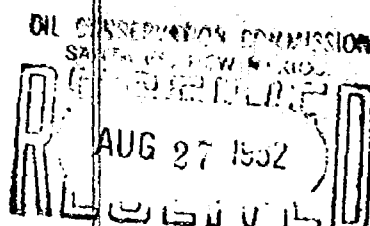
If this is sufficient please notify us.

Sincerely yours,

FRAZIER, QUANTIUS AND CUSACK

BY John P. Cusack

JPC:abf



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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF JOHN P. CUSACK FOR AN ORDER  
GRANTING PERMISSION TO RECOVER  
BACK ALLOWABLES

CASE No. 404

AMENDED APPLICATION

Comes now, John P. Cusack, an individual operating in the  
State of New Mexico, and in particular, Hobbs, New Mexico, and  
respectively shows to the Oil Conservation Commission of the  
State of New Mexico:

1. That your petitioner owns oil and gas producing property  
located in the Hobbs Pool, Lea County, New Mexico, more specifically  
described as follows:

- (a) The NE $\frac{1}{4}$  of Section 3 Township 19 South,  
Range 38 East, commonly referred to as  
the Byers lease.
- (b) The NE $\frac{1}{4}$  of Section 28 Township 18 South,  
Range 38 East, commonly referred to as  
the Moon lease, A and B.
- (c) The E $\frac{1}{2}$  of the SE $\frac{1}{4}$  of Section 34 Township  
18 South, Range 38 East, commonly referred  
to as the Turner B lease.

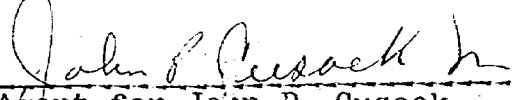
2. That during the month of May, through no fault of your  
petitioner there happened a national oil refinery strike and that  
because of said strike your petitioner was not allowed to run  
through the pipe lines the oil allocated by this commission to  
be run by him.

3. That at the same time and same place other oil and gas  
producers in the Hobbs Pool, not affected by the strike ran  
100% of their allowables thereby reducing and draining the  
reservoir of oil rightfully belonging to your petitioner and  
his royalty holders.

WHEREFORE, your petitioner respectfully requests that this  
commission consider means and methods by which the back allowables

1 lost through the result of strike action may be made up equitably  
2 for the benefit of your applicant and other applicants similarly  
3 situated in conformity with the pro ration laws of the State  
4 of New Mexico.

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6 Respectfully submitted,

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8 Agent for John P. Cusack  
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BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 404

September 16, 1952  
Regular Hearing

E. E. GREESON  
ADA DEARNLEY  
COURT REPORTERS  
BOX 1303  
PHONES 5-9422 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

September 16, 1952

In the matter of:  
Application of John P. Cusack for  
an order granting permission to  
recover back allowable from the  
Byers Lease in the NE/4 Section 3,  
Twp. 19 South, Rge. 38 East; the  
Moon ('A' and 'B') Lease, NE/4  
Section 28, Twp. 18 South, Rge. 38  
East; and the Turner 'B' Lease,  
E/2 of SE/4 Section 34, Twp. 18  
South, Rge. 38 East, said leases  
being in the Hobbs Pool, Lea County,  
New Mexico, and presently being  
operated by Samedan Oil Corporation.

CASE NO. 404

TRANSCRIPT OF HEARING

TESTIMONY OF  
JOHN P. CUSACK AND  
CHARLES P. MILLER

Regular Hearing  
September 16, 1952

CASE NO. 404.

(Notice of Publication read by Mr. Graham.)

MR. FRAZIER: We are ready.

(Witnesses sworn.)

J O H N P. C U S A C K,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. FRAZIER:

Q What is your name?

A John P. Cusack.

Q Where do you live?

A Fort Worth, Texas.

Q What is your business?

A Oil producer.

Q How long have you been an oil producer?

A Forty-two years.

Q Do you have any properties in the Hobbs Pool?

A I do.

Q What properties do you have there in the Hobbs Pool?

A I have an interest in the NE $\frac{1}{4}$  of Section 28, 18 South, Range 38 East; and the East half of the SE $\frac{1}{4}$  of Section 34, 18 South, Range 38 East; and the NE $\frac{1}{4}$  of Section 3, 19 South, Range 38 East.

Q I ask you to look at what has been marked for identification Exhibit A, and state whether or not your properties are outlined in red on this exhibit.

A They are.

Q Are your properties right in the City of Hobbs or where?

A Two in the City of Hobbs -- all three in the City of Hobbs, two in the town site.

Q Were they producing oil prior to May, 1952?

A They were.

Q During May 1952, did the company have a strike?

A It did.

Q How long did it last?

A Approximately a month.

Q During this period were you able to produce oil from your wells?

A Yes.

Q How much?

A The allowable.

Q Did you actually make it, did the pipe lines take any?

A The pipelines, by reason of the strike, took 20 per cent of the property in 3 and 34, which is connected to the Atlantic, the Shell took 40 per cent from the property, the Moon Lease in Section 28 - -

Q The other wells right around there, what pipeline are they connected to?

A To the Humble pipeline.

Q Did the Humble have any shut-down?

A No, the Humble ran one hundred per cent.

Q All of the time?

A At all times, yes.

Q Were any wells effected beside yours? I mean by the strike.

A Yes, sir. Well, there is 257 wells in the pool, and the Humble connected to 75 wells, so the balance was effected.

Q I understand that there was an allowable of 358,112 on 257 wells for the month of May, is that correct?

A That is correct.

Q All of the Humble wells took their full quota, but the others, Atlantic 20% and Shell 40%, is that correct?

A That is correct.

Q Humble is connected to 75?

A That is correct.

Q Shell is connected to 137?

A Correct.

Q Atlantic to 45?

A Correct.

Q How many producing companies?

A Twenty-five.

Q How many are connected to Humble?

A Five.

Q What were the total oil runs for the month of May?

A 193,159

Q How much shortage?

A 164,760 barrels.

Q How much percentage did the Humble run to that 183,000?

A Humble ran 102,545 barrels, or approximately 53 per cent of the total runs for the month.

Q The remainder of the 132 wells, only twenty producing

companies ran 47 per cent of the total, is that correct?

A Correct.

Q What do you ask the Commission to do to afford you relief?

A I ask the Commission to do one of two things. Make up the back allowable or re-adjust it back so that we will get our equitable share of the oil in the Hobbs Pool Reservoir.

Q Are you aware of the Commission's Order of June, subsequent to this shortage, deleting back allowables?

A I am.

Q Either type of relief would be desirable to you?

A That is correct. I prefer the re-adjusting back.

Q You have an interest, then, in the Turner 'B' Lease on the East Half of the SE $\frac{1}{4}$  of Section 34, 18 South, Range 38, East, and the NE $\frac{1}{4}$  of Section 3, 19 South, Range 38 East?

A I have, correct.

Q How many wells on the Byers Lease?

A Four wells.

Q How many barrels a day produced for the month of May?

A 1408, I believe.

Q How many barrels were run on the west off-set 160 acres?

A 6,166 barrels.

Q How many barrels on the south 160?

A 3,940 barrels.

Q Is that a low pressure area?

A Yes.

Q As a result of that situation, what will happen to your wells?

A Well, with unequal withdrawals, it will cause infiltration

of water and coning of the oil, that is a well established fact, and causes early abandonment of such wells.

Q Is that condition apt to destroy your reservoir there?

A Probably we won't have any wells.

Q Is there a cluster of 53 wells around there?

A There is.

Q Those are in a low pressure area?

A That is correct.

Q How many barrels did the 53 wells run in May?

A 71,508 barrels.

Q What percentage

A 37 per cent of the total runs of the pool.

Q Of course you are familiar with the rule that was passed in June prohibiting the back allowable.

A I am.

Q The Hobbs Pool has had production since 1930?

A Correct.

Q As a result of engineering practices about 76% of the wells are still flowing?

A Correct.

Q And you believe will probably continue for some years to come?

A I do.

Q What would be the result of the unequal withdrawals?

A Coning, as I said before, it would cause the infiltration of water and coning as referred to it and would definitely cause early abandonment of the wells, particularly so of these

wells in question. And, also, would cause the ultimate recovery to be less in the pool.

Q As I understand it, this situation could entirely destroy production from your wells?

A That is correct.

Q Anything else you want to mention to the Commission?

A No, save and except as I expressed myself before. There has been some talk they can't take a back allowable but they can re-adjust it back without any difficulty.

Q Do you believe that if the recovery is properly adjusted it will tend to increase the production from that pool?

A I do.

MR. FRAZIER: That is all.

By MR. WHITE:

Q Would it have been possible to have tied to the Humble line?

A No, it would be possible for the Humble to cut down at least 40 per cent.

Q Now as to the 132 wells effected, if the Commission should grant you relief, it should also grant relief to the other operators if they come in, isn't that true?

A In granting a relief to us, it takes care of the other operators, if you re-adjust it back.

Q I don't know. I would like to check into this. I question whether we have the right.

By MR. MACEY:

Q You said you couldn't tie into the Humble, why?

A How long have you been in the oil business? Can you do this overnight?

Q Is there anything that prevented you?

A Yes, the physical efforts to tie it in. You are in a town site, you can't tear up the street in 27 days to get in there. That is a matter of mechanics. I am not an engineer. The Humble can answer that better than I can.

MR. FRAZIER: What was your shortage for the month of May, 10,880?

A That is correct.

MR. FRAZIER: That is all.

MR. MACEY: What was your question, of runs or production.

MR. FRAZIER: Production from his wells, what the allowable was.

MR. MACEY: Was it 10,000 barrels in production.

A Under production.

MR. MACEY: I think you will find it is under-runs, and the oil you would have in storage, it is legal oil.

A We don't have that type of storage. That is just a token.

MR. MACEY: The fact remains there is 2,000 barrels difference from your actual production and under-runs.

MR. FRAZIER: Do you have any records on that?

MR. MACEY: We have complete records on Mr. Cusack's runs as reported to us.

MR. FRAZIER: Do you have them here?

MR. MACEY: Yes, I will read them off.

MR. FRAZIER: I would like to have it in the record.

MR. MACEY: Under production for the three month period of May, June and July -- that is what this covers, by months -- but the under production for the three months are as follows: The Byers Lease was 4101; the Moon 'A', 1725; the Moon 'B', 1854; the Turner 'B', 734; making a total of 8414.

MR. CUSACK: We will accept that.

MR. FRAZIER: That was for the month of May?

MR. MACEY: For the three month period.

MR. FRAZIER: May, June, July.

MR. MACEY: That is right.

MR. FRAZIER: Do you have a breakdown of that?

MR. MACEY: The allowable and production and runs for the three months.

MR. FRAZIER: I would like to have that.

MR. SPURRIER: Did you introduce your exhibit.

MR. FRAZIER: If I didn't, I offer it in evidence.

MR. SPURRIER: Without objection it will be received, and without objection Mr. Macey's compilation, Exhibit No. 2, will be accepted.

MR. FRAZIER: Any questions of Mr. Cusack?

MR. McKELLAR: The only question I have is the one about the coning. You are under producing about 8,000 barrels and something.

MR. MACEY: 8,414 barrels.

MR. McKELLAR: Was it your testimony, by not producing

these 8,400 barrels your wells would be more susceptible to coning?

A They are. It has a tendency, the fact we are on the east edge of the pool, to cause coning. What I am interested in, if this continues over a period of time, that is a fatal thing.

MR. WHITE: If the Commission would grant your relief and you would produce this 8,000 barrels, you would have to be producing in excess of your daily allowable.

A That is correct.

MR. WHITE: Wouldn't that extra heavy withdrawal have a tendency to cause coning?

A No.

MR. McKELLAR: I couldn't follow your testimony where the wells are being under-produced - -

A As I stated, we are willing to have it re-adjusted back. We wouldn't feel that it would cause coning, would you?

MR. McKELLAR: I am not going to answer your question. I don't want to take issue with you Mr. Cusack. All you want is your equitable share of the production, what is your equitable share of cutting back - -

A By cutting back those that ran 100 per cent and raising the ones under-produced or under-run, whichever way you want to do it.

MR. SPURRIER: Any further questions of this witness?

MR. WHITE: If under-production would cause your wells to cone, to give you an increase on the others, in effect, they would be under-producing and they would likewise cone, wouldn't the same thing happen, by allowing you to over produce, wouldn't

it cause the other operators to have coning in their wells?

A I feel that in cutting back the top allowable and increasing those under-run has a tendency to increase the production in the field.

MR. MACEY: Are you going to offer some testimony concerning the differentials and pressures?

A We will have some tests run, yes, sir.

MR. FRAZIER: Did you during your shut-down, or your temporary shut-down during the month of May, did you notice whether any of your wells started making more water?

A No, I couldn't state.

MR. SPURRIER: If there are no further questions of this witness, the witness may be excused. Let's take a five minute recess.

(RECESS)

MR. SPURRIER: The meeting will come to order, please.  
Mr. Frazier.

C H A R L E S   P .   M I L L E R,  
having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. FRAZIER:

Q What is your name?

A Charles Miller.

Q Where do you live?

A Hobbs, New Mexico.

Q What is your occupation?

A Geologist-Engineer Consultant.

Q How long have you been a Geologist-Engineer Consultant?

A Since 1926.

Q Over what period of time have you been familiar with the Hobbs Pool?

A Since 1929.

Q Since 1929. Now, Mr. Miller, I hand you what has been marked as Exhibit A, showing the various wells in the Hobbs Pool. Are you familiar with the well in which Mr. Cusack is interested, outlined in red there?

A Yes, sir, I am.

Q Is that a low pressure area?

A With relation to the total of the field, the facts indicate that is a little lower than the average, yes.

Q It has been agreed here, on the testimony of Mr. Macey, there was a shortage from those wells of 8400 barrels in May, June and July of 1952. Considering those unequal withdrawals from that pool, what effect would that have on these wells which were under-produced?

A The wells in question of Mr. Cusack's are located on the east flank of the Hobbs Pool. It is a generally accepted and established fact that the Hobbs Pool is hydrostatic as well as a volumetric drive. In other words, a portion of the motivating power, to answer your question, assumes these facts to be correct. Any excessive withdrawal within the heart of the field at the expense of the edge wells will serve to cause a differential in reservoir pressure. Any lowering of the pressure within the field will have a tendency to encourage an encroachment of the

water from the edge. In that event, we can assume that if the differential were allowed to exist for any period of time it would lead to the coning of water through there and perhaps around Mr. Cusack's properties.

Q You mean Mr. Cusack's properties might be isolated completely from the Pool?

A It is a possibility, and certainly a fact if the differential were allowed to continue for any length of time.

Q Is it necessary to establish the correlative rights of these wells to properly adjust that pool?

A I believe so. In fact, the entire theory and practice of proration within the Hobbs field is on the basis of correlative rights and proportionate or equal withdrawals.

Q That is the basis of the whole proration schedule?

A That is right.

Q Throughout the years, as I understand it then, unless the correlative rights of these wells in the producing area are adjusted, it endangers the reserve in that pool?

A It endangers the reserve and I do not intend to set it and say over a period of 30 days there can be a material effect. The principle is there and if that practice is allowed to continue we certainly can expect to see the results.

Q Over what period of time do you believe that this adjustment should be made? Would you say a month, two months, or what?

A That is a question that I wouldn't care to answer at the present time, if you will excuse me. It in itself can be

controversial. The question would have to be determined by a recent, perhaps, observation on pressure relationships within the wells of the adjoining area.

Q Should the adjustment be gradual?

A That I believe would be to the advantage of the field, yes.

Q Would that prevent waste and conserve the oil?

A We are considering the welfare of the field. Any detrimental effect in any portion of the field will effect the entire field eventually.

Q Did you have any other statement to make to the Commission?

A Well, I would like to sum it up. I have a short written statement.

Q Do you feel all the wells that came up short in that period of time of shut-down, should have the same relief?

A I am speaking of the field as a whole.

Q In your opinion, to properly adjust the pool, all the wells that were short should be given the same relief he is seeking?

A I believe the reservoir balance within the field should be re-established and maintained for the good of the field.

Q Maintained and balanced as over the period of years?

A Yes.

Q In your opinion that would eliminate waste in that pool? That is, the basis we have followed the past 22 years.

A It would to a considerable degree.

Q You just sum up to the Commission anything you have.

A I have just a brief written statement which I think sums up what we have been talking about. The detrimental effect to some operators of unequal withdrawals within the Hobbs field, while possibly not immediately apparent has, in our opinion, nevertheless become existent. It is our thought that if such a practice be continued or be permitted again, it will definitely work to the disadvantage of those who produce from the extreme flank positions of the field.

We recommend that in an attempt to establish again a degree of reservoir balance within the Hobbs field, and in particular within that portion from which full allowables were produced during the recent pipeline strike, a reduced rate of flow be assigned for a thirty to sixty day period to those wells from which top allowable was run during said strike.

Q You are aware of the Order the Commission entered in June deleting these allowables?

A I am.

MR. FRAZIER: That is all.

By MR. WHITE:

Q Mr. Miller, you testified as to what theoretically can happen if the practice is to continue.

A That is right.

Q Now, did this excessive withdrawal in the middle of the field during the month of May actually cause any coning in Mr. Cusack's well?

A As I pointed out in my testimony, we are not aware of the change on such a short period of time. The point I wish to

make is the practice in itself is wrong and if it is continued we believe will lead to an unequal reservoir pressure.

Q Did the under-production of 8414 barrels actually bring it about?

A I wouldn't say. I say the principle is still there and the basis of proration in the field is equal withdrawing.

Q There is no actual evidence the excessive withdrawal has caused coning?

A That as yet hasn't been determined.

Q That could be easily available.

A By pressure survey we could probably, or at the close of this period.

Q Were Mr. Cusack's wells pumping water prior to May?

A Let me clear that -- may I ask Mr. Cusack?

MR. CUSACK: We have two wells in there to my knowledge, -- I didn't check back -- that make water.

MR. WHITE: Producing more now than prior to May?

MR. CUSACK: I couldn't tell you.

A Within a short period of time I doubt if the reaction would be obvious. The principle is there and if continued will lead to an unequal reservoir pressure. We are looking at the idea of maintaining the reservoir balance to obtain the highest ultimate recovery from the field.

MR. SPURRIER: Anyone else? Any other questions of the witness?

By MR. MACEY:

Q Does it take some time for this coning to show up?

A In that event I think it would. Mr. Cusack's wells cut back would have a flow tendency around the bore hole. We do not know, maybe the water may have passed through there during that excessive withdrawal.

Q How long would it take for that to disclose itself?

A I can't answer that question.

Q Does it vary in different locations?

A Yes, sir, depending on the different type of structure and permeability. In the Hobbs Field, I would say the time required would be short.

By MR. WHITE:

Q As I understand your testimony, is it necessary that there be an equitable withdrawal of the oil through these wells of Mr. Cusack's and the other wells in the Hobbs Pool to obtain a maximum recovery?

A I didn't understand your question.

Q I say, in your opinion is it necessary that there be an equitable withdrawal of the oil through these wells of Cusack's and the other wells in the Hobbs Pool to obtain a maximum recovery, is that right?

A That is in order to prevent the water from further surging through the pay.

MR. WHITE: That is all.

MR. SPURRIER: Any further questions of this witness.

MR. McKELLAR: I want to ask him a question, I don't want to take issue here. I want to go back over your statement. I wonder if you had recommended that the rest of the wells in that field be reduced. That was my understanding. I want to

know if that is correct.

A to answer that question, I would take that course rather than increase the allowable of Mr. Cusack's wells. In increasing the allowable we defeat the purpose we are trying to accomplish by excessive withdrawals. We are trying to re-establish the balance in the Hobbs Field to obtain the greatest recovery.

MR. McKELLAR: In that event, that wasn't in the call of this hearing and, of course, if you are going to reduce Magnolia's wells in that pool, we want to be heard after proper notice.

A To what extent was Magnolia hurt?

MR. McKELLAR: I don't know. We have no views to express. If it is a recommendation our wells be reduced, we want to be heard.

By MR. MACEY:

Q If you reduce the allowables in the Hobbs Pool on those wells not effected by the strike, you would decrease the allocation to the Hobbs Pool?

A That is Right.

Q Therefore, your allocation to the other pools would be higher or increased on account of the decreased allocation.

A That is a question for the Commission to decide.

Q When allocated among the pools, and it stands to reason if you decrease the Hobbs Pool you, therefore, spread it out among the other top allowable pools, is that right?

A That is correct. Could not your allocation be anticipated and set to compensate for that?

Q Possibly, but you said you didn't want to raise the

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allowable on Mr. Cusack's wells. If you don't raise the allowable on his wells or the other wells, how can you raise the total allocation in the Hobbs Pool?

A I don't know. It is necessary if we are looking at the point of recovery, it is necessary.

Q The reason I mention it, there are other operators who would be discriminated against as between pools.

A They certainly have a right to be heard.

Q At the present time Mr. Cusack's wells are producing their full allowable and have been since May, is that right?

A That is correct, the record indicates that.

Q Under the present condition, do you know any reason why they couldn't continue along that line?

A I am not asking they be increased or decreased.

Q I think you misunderstood me. I meant they are producing their full allowable. You said if the present condition continues -- by condition, do you mean the strike?

A That is the condition I refer to, that is right.

Q Let me ask you one other point. There are a number of marginal wells in the Hobbs Pool.

A Yes.

Q Some of them were effected by the strike. If we went along on the theory of reducing the allowable, if we held the allocation to the Hobbs Pool constant and reduced the allocation on some wells and raised the allowable on the effected wells, there would be some marginal wells that could not be raised?

A That is true. I believe the general principle of

of proration, the marginal wells are not effected by raising or lowering of the allocation, but are fixed by their capacity to produce.

Q That is right.

MR. CAMPBELL: Jack M. Campbell. I would like to ask this question on behalf of Texas Pacific. I am not clear at this time whether the applicant is now seeking to regain lost oil or lost pressure or both. Is it the applicant's request the allowables on his wells remain the same and the others be reduced, or the allowables on his wells be increased and the others be reduced. I would like to know just what he is requesting the Commission to do at this time.

A I believe Mr. Cusack can answer that better than I can.

MR. CUSACK: In answer to that question, it is satisfactory to us to do it either way, either adjust it back or grant us our shortage.

MR. CAMPBELL: When you speak of adjusting back, I don't understand. I am not concerned with what the Commission should do, I am concerned with what you are recommending for another operator in the field.

MR. CUSACK: Well, if they adjust it back, they deduct the marginal wells and adjust by the top allowable wells, adjust it back and raise the under allowables up.

MR. CAMPBELL: On all the wells in the field?

MR. CUSACK: The ones producing full allowable.  
By first adjusting - -

MR. McKELLAR: Have you made any recommendations, or

do you make any as to the period of time this adjustment is to be made?

MR. CUSACK: That is entirely up to the Commission. It is a question of making up the back allowable. You can take it over a period of time and it will not have any appreciable effect on the reservoir, whether it is three months or what it is.

MR. WHITE: Mr. Cusack, did you make any tender of your oil to any company other than Humble?

MR. CUSACK: No. We were not in a position to do that. They wouldn't accept it. They are not in very close working agreement. You have to get them in a back room - -

MR. SPURRIER: The answer to the question is no?

MR. CUSACK: That is correct.

MR. SPURRIER: Any other questions of the witness?

By MR. FRAZIER:

Q Mr. Miller, reference has been made the Magnolia's production in the pool. Where are those wells located?

A The west flank of the Hobbs Field.

Q Connected to the Humble line?

A I believe that is right.

Q They were not shut-down during the strike?

A No, they were not.

MR. FRAZIER: That is all.

MR. SPURRIER: Anything further? Mr. Frazier?

MR. FRAZIER: No, sir.

MR. MACEY: Do you know of any reason why Mr. Cusack was not allowed to produce his oil during the months of May and

June? In other words, he was operating under the law that was in effect at the time, he could have made up some of his under production during the month of June under the law we were operating under.

A I do not know. The storage capacity on his lease, that is one factor that would have to be considered. Possibly he would be limited.

MR. MACEY: Do you know any reason why the Humble Pipeline Company, who were running the 100 per cent allowable during the month of May in the Hobbs Field, do you know any real legal reason why the Humble would not accept Mr. Cusack's oil had it been delivered by truck or tendered it to him in any manner?

A I do not know, but it can be answered on the principles of general practice. These pipeline companies are not in the habit of pilfering one another's connections. It was to be assumed the condition existing in May would not be permanent and the cost of subscribing connections for a short period of time did not justify the expenditure.

MR. CUSACK: I might make an observation. Ten years ago I went to the Humble Oil Company and saw a man in their Field Office to solicit our connection in this particular area. They gave me to understand the arrangement had been made with Atlantic to release the connection. I called the Atlantic and I thought we were going into a throat-cutting affair between the Atlantic and Humble, and Humble did not get the connection. These companies do not take each other's connections unless it is agreeable to the company to release it. If we would transport by truck, that under

the law is waste, you know that would be waste in itself.

MR. MACEY: In what way?

MR. CUSACK: In trucking out oil off a field.

MR. FRAZIER: Were there trucks available?

MR. CUSACK: You might as well say buckets as trucks.  
(off the record.)

MR. SPURRIER: Any further questions of Mr. Miller?

If not, the witness may be excused.

MR. FRAZIER: That is all I have.

(Witness excused.)

MR. SPURRIER: Any further comment in this case?

MR. SELINGER: I would like to make one statement with respect to Skelly. We have a well here by the east flank. We did not run all of our allowable. We feel that insofar as the applicant's case is concerned, with respect to making up back allowable we leave that to the Commission to decide. We do object, however, to the alternative proposal that other operators' wells be reduced currently in order to make up what the Commission has assigned the allowable. We don't believe the call of the notice is sufficient to authorize this Commission to cut wells in the Hobbs Pool.

MR. SPURRIER: Mr. Campbell.

MR. CAMPBELL: I would like to make a brief statement on behalf of Gulf Oil Corporation's wells in the Hobbs Pool. Fundamentally, Gulf is in favor of the recently enacted rule of Commission relating to back allowables; however, should the Commission see fit in this instance not to adhere strictly to

its rule and conclude in this case to grant back allowables or make other adjustments, we feel that all other operators should be extended the same privilege, not only in the Hobbs Field but in all other fields in the state where comparable conditions existed due to pipeline proration caused by the oil strike.

We would like to make a statement on behalf of Texas Pacific Coal and Oil Company, that if the Commission should see fit in this case to grant back allowables or make adjustment of allowables, it should extend to all operators in the Hobbs Pool. I have not, until just a few moments ago, seen the Notice of Hearing and I am not certain whether the notice is sufficient to extend this adjustment to all the operators in the pool, other than the applicant. As I read the application, it is that broad. Whether this notice is sufficient, I do not know. If the Commission determines the notice is not sufficient and makes an adjustment to all the operators in the pool, on behalf of Texas Pacific, we feel it should not be made until notice is furnished sufficient to authorize the Commission to make the adjustment as to all operators in the pool and not just as to the applicant in this particular case.

MR. SPURRIER: Mr. Holloway.

MR. HOLLOWAY: Tidewater would like to concur in the recommendation by Mr. Campbell to the effect no application be taken until the notice is sent out.

MR. SPURRIER: Anyone else?

MR. RAY: Carl J. Ray representing the Texas Company.  
In our opinion the pipeline proration presented a problem not

only in the Hobbs Field insofar as it effects correlative rights, but in all fields throughout New Mexico, and we feel that should the Commission grant any relief in this matter, it should apply equally to all operators in all producing areas in the State and not just to one field.

We further wish to go on record in opposing any relief which would curtail the production of our properties or other operators. We feel that if any correction is made, it should be in the form of allowing the operators effected by pipeline proration to make up their back allowable. We wish to oppose the curtailing of the normal allowable to make this adjustment.

MR. SPURRIER: Anyone else?

MR. FRAZIER: I might say, the Commission knows this rule curtailing back allowables was passed on June 2 - -

MR. SPURRIER: Effective July 1.

MR. FRAZIER: - - which was subsequent to the short time involved here.

MR. SPURRIER: Anyone else? Mr. Porter, do you have something on your mind? If there is no further comment in the case we will take it under advisement and proceed to Case 405.

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing and attached transcript of hearing, before the Oil Conservation Commission, State of New Mexico, Case 404, taken September 16, 1952, is a true and correct record to the best of my knowledge, skill and ability.

DATED AT Albuquerque, New Mexico, this 7th day of October, 1952.

Marianne Meier  
REPORTER

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder of the following public hearings to be held at 9 o'clock a.m. on September 16, 1952, at Mabry Hall, State Capitol, in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons  
having any right, title, interest  
or claim in the following cases,  
and notice to the public.

CASE 404:

In the matter of the application of John P. Cusack for an order granting permission to recover back allowable from the Byers Lease in the NE/4 Section 3, Twp. 19 South, Rge. 38 East; the Moon ('A' and 'B') Lease, NE/4 Section 28, Twp. 18 South, Rge. 38 East; and the Turner 'B' Lease, E/2 of SE/4 Section 34, Twp. 18 South, Rge. 38 East, said leases being in the Hobbs Pool, Lea County, New Mexico, and presently being operated by Samedan Oil Corporation.

CASE 405:

In the matter of the application of Tide Water Associated Oil Company for permission to dually complete its State 'A' No. 4 Well, Runice Pool, NE/4 NE/4 Sect. 8, Twp. 21 South, Rge. 36 East, NMPM, Lea County, New Mexico, in such manner as to permit production of oil from the Grayburg-San Andres formation and gas from the Yates-Seven Rivers gas zone.

CASE 406:

In the matter of the application of the Oil Conservation Commission upon its own motion for an order for the extension of existing pools or the creation of new pools in Eddy and Lea Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such extensions and creations should not be made.

(a) Create a new oil pool to be known as the West Malaga Pool for Delaware production to include:

Twp. 24 S, Rge. 27 E, NMPM,  
Eddy County, New Mexico  
SW/4 Section 15;  
SE/4 Section 16;  
NE/4 Section 21;  
NW/4 Section 22

and such other contiguous lands as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(b) Extend the Malaga Pool to include:

Twp. 24 S, Rge. 28 E, NMPM,  
Eddy County, New Mexico  
SE/4 Section 13

Twp. 24 S, Rge. 29 E, NMPM,  
Eddy County, New Mexico  
W/2 Section 18

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(c) Extend the Artesia Pool to include:

Twp. 18 S, Rge. 27 E, NMPM,  
Eddy County, New Mexico  
NE/4 Section 35;  
W/2 Section 36

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(d) Extend the Santo Nino Pool to include:

Twp. 19 S, Rge. 29 E, NMPM,  
Eddy County, New Mexico  
SE/4 Section 2;  
SW/4 Section 1

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(e) Extend the Skaggs Pool to include:

Twp. 20 S, Rge. 37 E, NMPM,  
Lea County, New Mexico  
N/2 Section 13

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(f) Extend the Saunders Pool to include:

Twp. 14 S, Rge. 33 E, NMPM,  
Lea County, New Mexico  
SW/4 Section 11;  
W/2 Section 14;  
W/2 Section 23;  
W/2 Section 26

Twp. 15 S, Rge. 33 E, NMPM,  
Lea County, New Mexico  
NE/4 Section 9

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(g) Extend the Maljamar Pool to include:

Twp. 17 S, Rge. 33 E, NMPM,  
Lea County, New Mexico  
N/2 Section 20

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(h) Extend the Teague Pool to include:

Twp. 23 S, Rge. 37 E, NMPM,  
Lea County, New Mexico  
E/2 Section 34;  
W/2 Section 35

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

- (i) Extend the Tulk-Wolfcamp Pool to include:

Twp. 15 S, Rge. 32 E, NMPM,  
Lea County, New Mexico  
All Sections 2, 3, 4 and  
E/2 Section 5

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

- (j) Extend the Eighty-Four Draw Pool to include:

Twp. 21 S, Rge. 38 E, NMPM,  
Lea County, New Mexico  
NW/4 Section 9

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

- (k) Extend the Denton Pool to include:

Twp. 14 S, Rge. 37 E, NMPM,  
Lea County, New Mexico  
W/2 Section 25;  
all Section 26;  
E/2 Section 27

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

- (l) Extend the Gladiola Pool to include:

Twp. 12 S, Rge. 38 E, NMPM,  
Lea County, New Mexico  
SW/4 Section 18;  
NW/4 Section 19

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

- (m) Extend the East Lovington-Pennsylvanian Pool to include:

Twp. 16 S, Rge. 37 E, NMPM,  
Lea County, New Mexico  
S/2 Section 20;  
all Section 29;  
N/2 Section 32

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony adduced at said hearing.

**CASE 390: (Readvertised)**

In the matter of the application of the Oil Conservation Commission upon its own motion for an order (a) exempting the following pools from the requirements of Rule 301 of the Oil Conservation Commission's Rules and Regulations pertaining to the filing of Form C-116, Gas-Oil Ratio Test, and from the requirements of Rule 506 (Paragraph d) pertaining to gas-oil ratio limitations:

Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Barton, Caprock, Cedar Hills, Chisum-San Andres, Dougherty, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Kelly, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P.C.A., Pearsall, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, Young, and such other oil pools in Eddy, Lea, Chaves and Roosevelt Counties which may be included herein as supported by proper testimony and recommendations adduced at said hearing; and

(b) exempting the following pools from the requirements of Rule 506 (Paragraph d) pertaining to gas-oil ratio limitations: Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Maljamar-Paddock, Penrose-Skelly, Rhodes, Wilson, West Wilson, and such other oil pools in Eddy, Lea, Chaves and Roosevelt Counties which may be included herein as supported by proper testimony and recommendations adduced at said hearing.

**CASE 407:**

In the matter of the application of the Oil Conservation Commission upon its own motion for an order extending Section 'G', Oil Proration and Allocation, to provide for the addition of Rule 508, Establishment of Temporary Eighty-Acre Proration Units, said proposed rule to provide as follows:

1. Temporary 80-acre proration units are hereby established for wildcat wells, as defined in Rule 104-a, completed as oil wells with a pool depth range of 10,000 feet or more, determined in accordance with Rule 505-a;
2. After the effective date of this order, no owner of a producing well completed as a wildcat with a pool depth range of 10,000 feet or more shall be required to drill more than one well to each 80 acres in order to secure his proportionate part of the production;
3. Upon the completion of five wells to the same producing formation within a radius of two miles of a wildcat well, the burden shall be on the operator to show by competent evidence that one well will efficiently and economically drain the 80 acres assigned to the well;

and such other provisions as may properly be included therein as supported by proper testimony and evidence adduced at said hearing.

GIVEN under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, this 29th day of August, 1952.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrrior, Secretary

S E A L

Case 104

Hobbs Pool Well Prod. & Run  
(offset wells to BYERS Lease)  
& Turner

Company & Lease	W E L L N O.	U N I T	S-T-R	P L	April		MAY		June		July	
					P	R	P	R	P	R	P	R
J. P. Cusack												
BYERS	1	B	3-17-38	A	1537	1586	463	352	1463			
	2	G	"	"	1537	1586	463	352	1463			
	3	A	"	"	1538	1587	463	352	1463			
	4	H	"	"	1538	1587	464	352	1463			
Lease Total					6150	6346	1853	1408	5852	5853		
Aug/well					1537.5	1586.5	463.25	352	1463	1463.25		
Allowable					6360		6200		5760			
J. P. Cusack												
Turner	1	I	34-18-38	A	1622	1646	859	316	1877			
	2	P	"	A	1621	1587	781	309	1823			
Lease Total					3243	3235	1640	625	3700	3265		
Aug/well					1621.5	1617.5	820	312.5	1850	1632.5		
TOTAL Both Leases												
Aug/well Both Leases												
Allowable					3180		3100		2880			
J. P. Cusack												
Moon	1	G	28-18-38	S	1680	1599	743	745	1282			
	2	B	"	S	1680	1600	744	746	1282			
Lease Total					3360	3199	1487	1491	2564	2568		
Aug/well					1680	1599.5	743.5	745.5	1282	1408		
Allowable					3180		3100		2880			
Moon	1	H	28-18-38	S	1556	1587	689	548	1282			
"	2	A	"	S	1555	1588	689	548	1282			
Lease Total					3101	3175	1378	1096	2564	2672		
Aug/well					1550.5	1587.5	689	548	1282	1336		
Allowable					3180		3100		2880			
TOTAL (all Leases)					15854	15955	6358	4620	14620	14606		
Aug/well					15854	15955	6358	4620	14620	14606		
Allowable (Total)					15900		15500		14400			
% all Prod					99.71		41.02		101.94			
" " Run						100.35		29.81		101.43		
TOTAL Allowable (Pool)					368040		358484		333870			
% all Prod					357849		218742		314348			
" " Run					358824		193565		330927			
% all Prod					97.23		61.02		94.12			
" " Run					97.50		54.00		97.12			

Month of May.

Total Pool allowable

Total Non-may

Due notice etc

Case 404

Finds:

1. That the Comm. lacks jurisdiction over applicant's proposal to 'cut all other wells in Nabs pool back until applicants wells have produced an equal amount since the beginning of the 'strike' in May, 1952; and,

2. That petitioner has failed to establish upon the facts and the law that he is entitled to relief (more oil?).

It is therefore ordered that the amended petition herein be and the same ~~is~~ hereby is dismissed.

Witness my hand and seal this 1st day of June 1952

Witness my hand and seal this 1st day of June 1952

Finds:

1. That the same facts  
prior are essential  
necessary parties to this cause;  
and

2. That petitioner has failed  
to establish ~~either~~ upon the  
facts and the law that  
he is entitled to ~~the~~ relief.

It is therefore ordered, adjudged  
& decreed that the amended  
petition herein be, and the  
same hereby is ~~dismissed~~  
dismissed.

1. T.

FEDERAL POWER COMMISSION  
Washington 25, D. C. Jan. 28, 1953

Subject: Docket No. G-1429  
Pacific Northwest Pipeline Corp.  
Dear Sir:

Receipt is hereby acknowledged of your telegram dated January 28 relative to the above-entitled matter.

Very truly yours,

*Don M. Gregory*  
Secretary.

15  
3-13118-45

R. P. C. Form No. 82  
FEDERAL POWER COMMISSION  
WASHINGTON  
OFFICIAL BUSINESS



FOR PRIVATE USE TO AVOID  
SAVING THE GOVERNMENT  
BUY U.S. BONDS OR  
PAYROLL SAVINGS

R. R. Spurr, Secretary Director  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

