

BEFORE THE OIL CONSERVATION  
COMMISSION OF THE STATE  
OF NEW MEXICO

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

THE APPLICATION OF J. P. CUSACK TO  
HAVE A CLOSER SPACING THAN IS AT  
PRESENT PROVIDED BY THE RULES OF  
THE COMMISSION, AS FOLLOWS:  
1000 FEET SOUTH OF THE NORTH LINE  
AND 130 FEET EAST OF THE WEST LINE  
OF THE E $\frac{1}{2}$ SE $\frac{1}{4}$  OF SECTION 34, TOWNSHIP  
18 SOUTH, RANGE 38 EAST. THE GROUNDS  
FOR SUCH SPECIAL SPACING ARE: THE  
LEGAL SUBDIVISION INVOLVED IS WITHIN  
A TOWNSITE, AND THE SPECIAL SPACING  
REQUESTED IS THE MOST AVAILABLE TRACT  
NOT BUILT UPON, THERE BEING PROPERTY  
IN THE WAY OF BUILDINGS, SUCH AS A  
SCHOOL HOUSE AND OTHER BUILDINGS  
WHICH WOULD INTERFERE WITH A SPACING  
IN ACCORDANCE WITH THE GENERAL  
SPACING RULES.

CASE NO. 10

ORDER NO. 105

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock A. M. on the 7th day of February, 1938, in the office of the Oil Conservation Commission at the State Capitol, Santa Fe, New Mexico, upon the call of the Commission in the above designated matter.

NOW, on this 7th day of February, 1938, the Commission having before it for consideration the evidence adduced at the hearing in said case and being fully advised in the premises, now therefore finds:

1.

That notice of the hearing herein was published in accordance with the provisions of law, and affidavits from publishers of said notice, both in Lea County and Santa Fe County, are in the record of this case.

2.

That there are located school buildings and school grounds

within the forty-acre subdivision involved herein, namely, the East Half of the Southeast Quarter ( $E\frac{1}{2}SE\frac{1}{4}$ ) of Section 34, Township 18 South, Range 38 East, so as to make the regular spacing, in accordance with existing rules of the Commission impractical and unsafe for fire hazards.

3.

That the location petitioned for, to-wit: 1000 Feet South of the North line and 130 feet East of the West line of the  $E\frac{1}{2}SE\frac{1}{4}$  of Section 34, Township 18 South, Range 38 East, is a practical location which will not create waste.

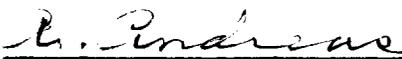
IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that J. P. Cusack, the petitioner in this cause, be allowed to locate his well as follows: 1000 feet South of the North line and 130 Feet East of the West line of the  $E\frac{1}{2}SE\frac{1}{4}$  of Section 34, Township 18 South, Range 38 East.

OIL CONSERVATION COMMISSION



Frank Worden, Commissioner of  
Public Lands,

Secretary.



A. Andreas, State Geologist.

H E A R I N G  
BEFORE THE OIL CONSERVATION  
COMMISSION OF THE STATE  
OF NEW MEXICO.

Held in the Office of Frank  
Worden, Commissioner of Public  
Lands, at the Capitol Building,  
February 7, 1938, at nine o'clock,  
A. M.

PRESENT: FRANK WORDEN, State Land Commissioner, Secretary;  
A. ANDREAS, State Geologist;  
J. F. CUSACK,  
B. A. BOWERS,  
J. O. SETH, Attorney for Petitioner  
CARL B. LIVINGSTON, Attorney for Oil Conservation  
Commission.

ABSENT: GOVERNOR TINGLEY, Chairman.

The Hearing was opened by Mr. Worden.

THEREUPON, the notice for publication for the  
Hearing was read by Mr. Worden, as follows:

"NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

"Pursuant to Chapter 72, Session Laws of 1935, State  
of New Mexico, by which Act the Oil Conservation Commission of  
New Mexico was created, investing said Commission with the jur-  
isdiction and authority over all matters relating to the conser-  
vation of oil and gas in this State and of the enforcement of  
all provisions of said Act, notice is hereby given that a public  
hearing will be held at the Capitol, Santa Fe, New Mexico, on  
the 7th day of February, 1938, at 9:00 o'clock, A. M., for the  
purpose of considering the following:

"Case No. 10.

"The application of J. F. Cusack to have a  
closer spacing than is at present provided by the  
rules of the Commission, as follows: 1000 feet  
South of the North line and 130 feet East of the

West line of the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 34, Township 18 South, Range 38 East. The grounds for such special spacing are: The legal subdivision involved is within a townsite, and the special spacing requested is the most available tract not built upon, there being property in the way of buildings, such as a school house and other buildings which would interfere with a spacing in accordance with the General Spacing Rules.

"Any person having any interest in the subject of the said hearing shall be entitled to be heard.

"Given under the seal of said Commission at Santa Fe, New Mexico, on January 14, 1938.

OIL CONSERVATION COMMISSION

By Clyde Tingley  
Governor

By Frank Worden  
Commissioner of Public Lands

(SEAL)

By \_\_\_\_\_ "  
State Geologist.

BY MR. WORDEN: The purpose of this hearing is to consider the request of J. P. Cusack for a closer spacing than is provided by the rules of the Commission.

Thereupon, J. F. CUSACK and B. A. BOWERS were called and duly sworn by the Land Commissioner.

Mr. J. P. Cusack testified as follows:

EXAMINATION BY MR. SETH.

Question: Your name is J. P. Cusack?

Answer: Yes.

Q. You are an oil operator, at Hobbs?

A. Yes.

Q. Do you hold the lease on the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 34, Township 18 South, Range 38 East, in Lea County?

A. I do.

Q. Mr. Cusack, is that in the town of Hobbs?

A. It is.

- Q. Is it in the part of the town of Hobbs, at least in the part of the town that is built up?
- A. It is.
- Q. Now, I hand you the applicant's Exhibit 1, entitled "Map of Hobbs;" and ask you if that area enclosed with a red line represents the  $E\frac{1}{2}SE\frac{1}{4}$  of Section 34?
- A. It does.
- (Map introduced in evidence, marked "Exhibit 1".)
- Q. Is the town of Hobbs divided into lots, as shown on this Exhibit?
- A. It is.
- Q. Mr. Cusack, the place where you desire to drill the well that this hearing is about, I take it it is in Lot 24 of Block 25, is that correct?
- A. That is correct.
- Q. What is the distance of that location from the West line of the  $E\frac{1}{2}SE\frac{1}{4}$  of Section 34?
- A. Approximately 130 feet.
- Q. And what distance is it from the North line of your lease?
- A. Approximately 1000 feet.
- Q. Mr. Cusack, are you interested in the lease lying immediately West of your lease?
- A. I am not.
- Q. Are you not interested in the  $W\frac{1}{2}SE\frac{1}{4}$  of Section 34?
- A. I am not.
- Q. What company is interested in this lease?
- A. The Samedan, who are partners of mine in other leases.
- Q. And their spacing has been on the basis of 330 feet from the West line of the eighty, and 660 feet from the North line, and have drilled wells with such spacing?
- A. Yes.
- Q. And if you followed that system on your lease, that is, the  $E\frac{1}{2}SE\frac{1}{4}$  of Section 34, where would it put the well, with reference to buildings, or schools?
- A. On the school property and immediately adjacent to the school building proper.
- Q. Now, this smaller area embraces parts of Blocks 96, 3 and 26. What does that represent?
- A. School property.
- Q. Are they building schools on that property?
- A. The school is built, and there is an athletic field also on the property.

- A. In my opinion, it would not.
- Q. What is your opinion as to its affect on the ultimate recovery of the oil in the E $\frac{1}{2}$ SE $\frac{1}{4}$  of the eighty, on which you have a lease?
- A. Do you mean as to affecting the West half?
- Q. No, I mean its affect on you. Would it enable you to get more than your fair share of the oil?
- A. I would say not, for the reason that the water drive is coming from the West and South, and there is no water on the East side in this immediate area at present.
- Q. None has shown up at the present time?
- A. No.
- Q. Where is that dry hole you mentioned located?
- A. That dry hole is located approximately in the Northwest quarter of the Southwest quarter of Section 35.
- Q. In the Hobbs townsite?
- A. Yes.
- Q. Has any water shown up?
- A. No, not in the producing horizon. It is some four or five hundred feet below.
- Q. That is all.

UPON EXAMINATION BY MR. SETH, Mr. B. A. Bowers testified as follows:

- Q. Mr. Bowers, you have been producing oil at Hobbs for several years?
- A. That is right.
- Q. And you are familiar with the conditions in that locality?
- A. That is right.
- Q. And in the locality of this lease of Mr. Cusack, on the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 34?
- A. Yes.
- Q. You have heard the testimony of Mr. Cusack with reference to the location of the school building and grounds, as covering the point where the well would be located ordinarily.
- A. I have.
- Q. And that is correct?
- A. Yes, that is correct.
- Q. Are you familiar, generally, with the royalty interests covering the entire Southeast quarter?

- A. Not to the extent that Mr. Cusack has stated that he is, but in general, I will concur with his statement.
- Q. It is all based on the old Turner homestead?
- A. Yes.
- Q. And the town lots were sold with reservation of minerals?
- A. That is correct.
- Q. Is that part of Hobbs, where the school grounds are located, as shown on this exhibit 1, built up; that is, are there other buildings around the school?
- A. Yes, that is quite settled up around there.
- Q. And this location that Mr. Cusack is seeking, is that approximately the closest he can get?
- A. That is the most practical location to make, in view of fairness to the school and the present occupants of the property.
- MR. ANDREAS: How close to any building is this proposed location?
- A. There is a house immediately across the Street to the East, and in the adjoining block, it is well filled up with buildings.
- MR. ANDREAS: How about North and South?
- A. There is a Street on the North, Carlsbad Avenue, which is the Main street through Hobbs, and across the street, South, there is a considerable number of buildings in that block.
- Q. There are less buildings in this block in which the tentative location of the well is shown than in any other block in the immediate vicinity?
- A. Yes.
- Q. In your opinion, considering the surface occupancy, is this the best location?
- A. Yes.
- Q. In your opinion, would the locating of the well there be unfair to the adjoining mineral rights?
- A. I will answer and make my statement in this way: were I the royalty owner in the Samedan lease immediately adjoining it on the West, I would have no hesitancy at all in agreeing to Mr. Cusack's drilling the well on the location that he requests.
- Q. Do you believe this spacing unfair in the sense that Mr. Cusack may be able to get more than his fair share of oil from the lease?
- A. I do not.
- Q. And how about the ultimate recovery of oil from this well. Do you think he will get a fair recovery from this location?
- A. I believe that he will, because of the fact that, as stated by him, no water drive comes from the East, both from an engineering and a geological standpoint, and it is not probable that there will be. It is more probable that the water will come across

the structure from the West, it seems at present, and not from the East.

Q. Did the school board object to the regular location?

A. Yes. I have a very close contact with the school board, and am interested in all their work, although I am not a member of the Board, and they do object to the location with the regular spacing, if it can possibly be done in any other way.

Q. Are they erecting new school buildings?

A. They have erected one and they intend to build in several on the present grounds.

MR. CUSACK: In this respect, I called Mr. Staley, who is President of the School Board and also proration umpire at Hobbs, and asked him if they would approve this location, and he said definitely no, and when he said that, I started in to find out if there wasn't some other location available. They objected for two reasons, the safety factor, for one thing, and the space.

Q. While this may be beyond the jurisdiction of the Commission in a sense, you have wholly cooperated with the school board in this new location which you seek?

A. Yes.

Q. And the proration umpire at Hobbs is also chairman of the school board?

A. Yes.

MR. WORDEN: There is no objection from any member of the school board as to this new location?

A. No, there is none whatsoever. They are perfectly satisfied.

MR. WORDEN: And they feel that it is a safe distance and would not be likely to injure any of the children?

A. That is right. They feel that this location could not possibly injure them in any way.

That is all.

There being no further business to come before the hearing, the hearing adjourned.

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STATE OF NEW MEXICO )  
County of Santa Fe ) ss.

I, M. S. Master, hereby certify that the above and foregoing six and a fraction pages of typewritten matter constitute a true, correct and complete transcript of the shorthand notes taken by me at the hearing before the Oil Conservation Commission held in the office of the Oil Conservation Commission at the State Capitol Bldg., on Monday, February 7, 1938.

M. S. Master

# Affidavit of Publication

Jan. 24, 1938

STATE OF NEW MEXICO }  
COUNTY OF SANTA FE } ss.  
CITY OF SANTA FE }

I, Larry Bynon, hereby swear  
and affirm that I am the Publisher  
of the New Mexico Examiner, a weekly newspaper of general cir-  
culation in the City of Santa Fe, the County of Santa Fe, and the  
State of New Mexico, printed in the City of Santa Fe each week;

that the attached is a true copy of Publication,  
as it appeared in the New Mexico Examiner, issues of  
Jan. 21, 1938, in a full and complete  
edition of the paper.

Signed: Larry Bynon

STATE OF NEW MEXICO }  
COUNTY OF SANTA FE } ss.  
CITY OF SANTA FE }

Larry Bynon appeared before me this  
26 day of January, 1938, known to me  
to be the person above making affidavit, and after being duly  
sworn, deposes and says that the statements above made are true  
and accurate to the best of his knowledge.

Edna Draper  
Notary Public in and for Santa Fe  
County, State of New Mexico.

My Commission expires: Apr 24, 1939

**NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION**

Pursuant to Chapter 72, Session Laws of 1935, State of New Mexico, by which Act the Oil Conservation Commission of New Mexico was created, investing said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 7th day of February, 1938, at 9:00 A. M., for the purpose of considering the following:

Case No. 10.

The Application of J. P. Cusack to have a closer spacing than is at present provided by the rules of the Commission, as follows: 1000 feet South of the North line and 130 feet East of the West line of the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 34, Township 18 South, Range 38 East. The grounds for such special spacing are: The legal subdivision involved is within a townsite, and the special spacing requested is the most available tract not built upon, there being property in the way of buildings, such as a school house and other buildings which would interfere with a spacing in accordance with the General Spacing Rules.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on January 14, 1938.

OIL CONSERVATION  
COMMISSION,

By CLYDE TINGLEY,  
Governor.

By FRANK WORDEN,  
Commissioner of Public Lands.

By \_\_\_\_\_  
State Geologist.

Pub. Jan. 21, 1938.



JAN 19 1938 PM

**AFFIDAVIT OF PUBLICATION**

State of New Mexico, }  
County of Lea }

I, Thomas G. Summers  
publisher

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once ~~month~~ in the regular and entire issue of said paper, and not in a supplement thereof for a period of \_\_\_\_\_

one issue \_\_\_\_\_ weeks, beginning with the issue dated \_\_\_\_\_

January 17, 1938

and ending with the issue dated \_\_\_\_\_

\_\_\_\_\_ 1938  
Thomas G. Summers  
Publisher.

Sworn and subscribed to before me this 17th day of \_\_\_\_\_

January, 1938  
J. S. Greer  
Notary Public.

My commission expires May 18th, 1941  
\_\_\_\_\_, 1941  
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, ~~and~~  
~~and~~

(Pub. Jan. 17)  
**NOTICE FOR PUBLICATION**  
**STATE OF NEW MEXICO**  
**OIL CONSERVATION**  
**COMMISSION**

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Given under the seal of said Commission at Santa Fe, New Mexico, on January 14, 1938.

**OIL CONSERVATION COMMISSION**

By Clyde Tingley, Governor.  
By Frank Worden, Commissioner of Public Lands.

ANNUAL REPORT OF THE BOARD OF DIRECTORS AND OFFICERS OF WESTERN NATURAL GAS COMPANY FOR THE YEAR ENDING 1940

Location 1935 1936 1937 1938 1939 1940 Totals

Location	1935	1936	1937	1938	1939	1940	Totals	
REGALTY PRODUCTION CO., Orcutt #1	29-25-37	310,507	446,092	444,679	140,489	121,935	67,818	1,531,500
STANDARD OIL & GAS CO., Farnsworth A-1	13-26-36	591,773	920,657	846,452	233,624	2,964	563	2,485,071
Farnsworth A-2	18-26-37			62,164	131,551	41,698	563	235,976
Farnsworth B-2	7-26-37			87,012	1,350,603	621,983		2,059,598
Farnsworth B-3	7-26-37				228,901	513,433		981,592
Gregory C-1	33-25-37					368,193		504,918
Gregory A-22	31-25-37					89,721		161,459
Gregory B-1	15-26-37					271,936		517,049
Farnsworth C-1	4-26-37					115,507		467,814
Farnsworth C-2	4-26-37					1,516		465,300
Langels B-3	14-25-37					4,941		87,007
Meyers B-1	7-24-37					21,240		205,309
Meyers B-5	9-24-37					35,697		128,610
Farnsworth B-1	7-26-37	564,104	678,419	740,813	222	94,913		1,984,558
								10,285,261

The Texas Co.	1935	1936	1937	1938	1939	1940	Totals	
Cagle A-1	9-26-37	1,747,089	1,435,218	1,561,440	1,259,624	1,235,112	554,136	7,782,679
Cagle A-2	9-26-37			554,247	2,452,697	1,403,071	632,565	4,430,215
Cagle B-1	15-26-37		1,942,108	2,683,647	1,892,740	1,504,037	1,71,498	8,555,097
Cagle B-2	15-26-37			438,310	441,333	450,333	169,214	1,063,164
Shepherd A-1	6-26-37		273,271		412,153	282,616	327,121	1,575,564
Shepherd B-1	5-26-37				574,929	534,801	527,121	1,958,037
Shepherd B-3	5-26-37				220,332	163,375	68,698	675,230
Shepherd B-4	5-26-37				262,305	215,013	90,886	820,017
Rhodes #1	22-26-37		1,991,462	231,813	982,213	744,415	252,366	7,915,149
Rhodes #2	22-26-37	2,345,235		625,357	765,567	456,489	271,071	2,119,474
Koberly A-1	8-26-37		68,451	109,654	56,343	1,416		225,866
Koberly B-1	21-26-37			135,844	554,247	2,452,897	1,403,071	1,219,580
Parker #1	29-26-37			482,160	852,063	466,613		1,936,680
Langhart #1	29-25-37				541,208	2,100,162		2,641,390
State Y-1	16-26-37					319,784		319,784
Shepherd B-2	6-26-37			209,984		51,044		51,044
Shepherd A-2	6-26-37							209,984
								43,568,327

Two States Oil Co.	1935	1936	1937	1938	1939	1940	Totals	
Calley #1	20-24-37			80,761		53,056		103,817

Western Gas Co.	1935	1936	1937	1938	1939	1940	Totals	
Harrison #1	7-25-37			57,741		141,028		425,734
Harrison #2	29-24-37			665,175		452,739		1,865,245
Harrison #3	20-24-37					471,171		947,569
Harrison #4	29-24-37					374,772		1,160,728
Camp	6-24-37			191,697		417,800		1,081,323
Guthrie	34-23-36			275,740		387,526		886,791
Melkins	15-23-36			160,055		391,717		837,219
Cherry	1-24-36					408,987		723,410
Reby #1	12-24-36					17,403		577,458
State B-1	2-25-37			479,773		80,002		80,002
State T-1						49,090		49,090
State #1						7,070		7,070
								5,738,727

ILLEGIBLE

