

CASE NO. 28

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

THE PETITION OF THE SAMEDAN OIL CORPORATION
FOR AN UNORTHODOX WELL LOCATION FOR SAMEDAN
OIL CORPORATION - TURNER-B, WELL NO. 2, SESE
SECTION 34, TOWNSHIP 18S, RANGE 38E, HOBBS
FIELD.

TRANSCRIPT OF PROCEEDINGS AT THE
HEARING IN THE HALL OF THE HOUSE
OF REPRESENTATIVES, SANTA FE, NEW
MEXICO

AUGUST 25th, 1941

Pursuant to order of the Commission, duly made and entered, setting August 25, 1941, at two o'clock, P. M., for hearing in the above entitled matter, said hearing was convened at said day and hour in the hall of the House of Representatives, Santa Fe, New Mexico, the Commission sitting as follows:

HONORABLE JOHN E. MILES, Governor of New Mexico, Chairman
HONORABLE JOHN M. KELLY, State Geologist, Secretary
HONORABLE CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

APPEARANCES:

J. O. Seth	Samedan Oil Corp.	Santa Fe, N.M.
J. P. Cusack	" " "	
B. A. Bowers		Artesia, N. M.
H. W. McCue		Artesia, N.M.
H. W. Hunsacker	N.M. Motor Carriers	Amarillo, Tex.
		Albuquerque, N.M.

The hearing was called to order by Governor Miles, who requested Mr. Livingston to read the notice of hearing, as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following public hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 28

The petition of the Samedan Oil Corporation
for an unorthodox well location for Samedan Oil

Corporation - Turner-B, Well No. 2, SESE Section 34, Township 18S, Range 38E, Hobbs Field. Said proposed location is 400 feet North of South line and 1190 feet West of East line of SE $\frac{1}{4}$ of said section. This case is set for 2 o'clock P.M., August 25, 1941.

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

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting August 13, 1941.

Given under the seal of said Commission at Santa Fe, New Mexico, on August 13, 1941.

OIL CONSERVATION COMMISSION

By (Sgd) John M. Kelly
Secretary"

(SEAL)

BY MR. SETH: There was an informal application filed, later followed by a formal application. In the formal application there was an error in line 4,- the distance stated there of 460 feet north of the south line, should be 400 feet. We would like to amend the formal application to agree with the original petition.

J. P. CUSACK,

being first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined by Mr. Seth, and testified as follows:

DIRECT EXAMINATION

Q Your name is J. P. Cusack, and you represent the Samedan Oil Corporation?

A I do.

Q Mr. Cusack, this location, the SE $\frac{1}{4}$ SE $\frac{1}{2}$ of Section 34, T. 18 South, 38 East, is unorthodox in that it is 1190 feet west of the east line of the forty. Will you please state the condition as to buildings at the point in the center of the forty?

A Immediately to the east of this location are several buildings - dwellings --

Q This is in the town of Hobbs?

A This is in the town of Hobbs, subdivided into lots.

Q And the buildings are occupied as residences?

A The buildings are occupied as residences.

Q Which would make drilling somewhat dangerous as to destruction of property, and perhaps life?

A That is correct.

Q Coming to ownership, who owns the lease on the forty acre tract immediately west of this?

A The lease is owned jointly by the Samedan, Lloyd Noble and J. P. Cusack. The Samedan operates the property.

Q The lease on the $SE\frac{1}{4}SE\frac{1}{4}$, is that the same ownership?

A It is the same ownership, I guess. The west half is owned by the Sameday Oil Corporation, the Cities Service and Gordon M. Cone.

Q Lying immediately west of this forty?

A Yes, sir.

Q Who owns the lease on this forty involved here?

A The Samedan, J. P. Cusack and Lloyd Noble.

Q And the Samedan operates it?

A The Samedan operates it.

Q You said on the forty immediately west the Cities Service and Cone are the interested parties?

A They are interested as operators on that.

Q Have you got the consent of the owners of the $W\frac{1}{2}SE\frac{1}{4}$?

A I have.

Q I hand you Petitioners' Exhibit No. 2, and ask you if that is a wire from Cone who is interested with Cities Service in that tract?

A It is.

Q I hand you Exhibit No. 3; is that a consent on behalf of Cities Service?

A It is.

Q What is the connection of G. E. Goddard with Cities Service?

A So far as I know he is engineer in charge of this district.

Q That comes from the Cities Service?

A That comes from Cities Service, at Bartlesville, Oklahoma.

BY MR. SETH: We offer Petitioners' Exhibits 2 and 3 in evidence.

PETITIONERS' EXHIBIT No. 2

"WESTERN UNION

FWBO7DA123 23 DL COLLECT - LUBBOCK TEX 15 AUG 15 AM 56

J. P. CUSACK

3427 COUNTRY CLUB CIRCLE FTW

WEST

YOUR PROPOSED WELL 130 FEET EAST OF EAST LINE EAST HALF

SCOUTHEAST QUARTER SECTION 34 TOWNSHIP 18 RANGE 38 AGREEABLE

TO ME

GORDON M CONE.

130 34 18 38"

PETITIONERS' EXHIBIT NO. 3

"WESTERN UNION

FWA52KMA276 TWS PAID 3/WUX SEMINOLE OKLA 22 330P

J. P. CUSACK

3427 COUNTRY CLUB CIRCLE FTW

CITIES SERVICE HAS NO OBJECTION LOCATION 400 FEET NORTH

OF SOUTH LINE 1190 FEET WEST OF EAST LINE OF SOUTHEAST

QUARTER SECTION 34-18-38 LEA COUNTY NEW MEXICO

G E GODDARD BARTLESVILLE OKLA.

400 1190 34-1-38 LEA"

Q Mr. Cusack, that accounts for all the owners of tracts lying to the west, except those actually interested in this application?

A It does.

Q Coming to the location of this well, again, I hand you Petitioners' Exhibit No. 1. Does that show the location, in the town of Hobbs, of the proposed location?

A It does.

Q There are no buildings shown to the west?

A There are no buildings shown to the west.

Q There are none within a short distance?

A No.

Q But the buildings you speak of lie over east of the proposed location?

A They do.

Q How far away from this location would you say they would be?

A They would be about 100 feet.

BY MR. SETH: We offer Exhibit No. 1 in evidence. It is the proposed location in the town of Hobbs.

Q Mr. Cusack, have you been in the oil business a good many years?

A I have.

Q How many?

A Thirty-four years.

Q Have you been familiar with the condition at Hobbs during a considerable time?

A I have, since the inception of Hobbs.

Q The Samedan and Mr. Noble are interested with you in production on this proposed location?

A We are.

Q In your judgment, would the location of this well that you request, would it result in waste? Would it cause any oil to remain in the ground and not be produced?

A It would not.

Q You think the location would result in all the oil that could be reasonably produced, being produced from that forty?

A I do.

BY MR. SETH: That is all.

BY MR. KELLY: Any of the members wish to question the witness.

BY MR. LIVINGSTON: I didn't get all of this clearly -- the ownership of the forty lying immediately west of the one on which you propose to drill belongs to Gordon Cone, Cities Service and the Samedan?

A That is correct so far as the operating is concerned.

Witness dismissed.

BY MR. KELLY: The Commission is agreeable to granting the unorthodox location in the Hobbs Pool, and the order will be so entered.

C E R T I F I C A T E

I certify that the foregoing and attached five pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me on the date of the hearing in the above entitled case on the 25th day of August, 1941, and by me extended into type-writing, together with copy of Petitioners' Exhibits Nos. 2 and 3.

Witness my hand this 27th day of August, 1941.

Luther Barton